

**Annual Report of the
Supplemental Security Income Program**



Social Security Administration

May 1999



SOCIAL SECURITY

Office of the Commissioner

May 28, 1999

President William J. Clinton
The White House
Washington, D.C.

The Honorable J. Dennis Hastert
Speaker of the House of Representatives
Washington, D.C.

The Honorable Albert Gore, Jr.
President of the Senate
Washington, D.C.

Gentlemen:

I have the honor of transmitting to you the 1999 Annual Report of the Supplemental Security Income Program (the third such report), in compliance with section 231 of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996.

Respectfully,

Kenneth S. Apfel
*Commissioner
of Social Security*

EXECUTIVE SUMMARY

In the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (Public Law 104-193), the Congress required the Commissioner of Social Security to report annually to the President and to the Congress on the status of the Supplemental Security Income (SSI) program. A required element of these reports is to provide projections of program participation and costs through at least 25 years. This report is the third of such reports, and following are some of its major highlights and findings.

Highlights of the SSI Program

- The SSI program is a nationwide Federal assistance program administered by the Social Security Administration (SSA) that guarantees a minimum level of income for needy aged, blind, or disabled individuals.
- In January 1999, 6.3 million individuals received monthly Federal SSI payments averaging \$341.
- Federal expenditures for cash payments under the SSI program during calendar year 1998 totaled \$27.7 billion, and the cost of administering the SSI program in fiscal year 1998 was \$2.3 billion.

Major Findings of the Report

- Throughout the 25-year period ending in 2023, the SSI program is estimated to grow largely due to the overall growth in the U.S. population. By 2023, the Federal SSI recipient population is estimated to reach 7.3 million.
- Expressed as a percentage of the total U.S. population, the number of Federal SSI recipients increased slightly from its 1997 level of 2.22 percent to 2.23 percent in 1998, and is projected to remain fairly level at roughly 2.2 percent of the population through 2023.
- Federal expenditures for SSI payments in calendar year 1999 are estimated to total \$28.6 billion, an increase of roughly \$900 million from 1998 levels.
- Growth in SSI program outlays during the next 25 years is projected to remain relatively modest. In constant 1999 dollars, the cost of the program is projected to increase to \$34.1 billion in 2023.
- When compared to the Gross Domestic Product, Federal SSI expenditures are projected to decline over time, from the current level of 0.33 percent of GDP in 1998 to 0.26 percent of GDP by 2023.

CONTENTS

I. INTRODUCTION	1
II. HIGHLIGHTS	3
A. RECENT PROGRAM EXPERIENCE	3
B. SSI LEGISLATION SINCE THE 1998 ANNUAL REPORT.....	3
C. CURRENT ISSUES FACING THE SSI PROGRAM.....	4
D. KEY RESULTS FROM THE 25-YEAR FORECASTS.....	5
III. THE SUPPLEMENTAL SECURITY INCOME PROGRAM	6
A. BACKGROUND.....	6
B. THE BASIC PLAN	6
C. UNIFORM STANDARDS AND OBJECTIVE CRITERIA	7
D. ASSISTANCE OF LAST RESORT.....	8
1. Income	9
2. Resources.....	10
3. Filing for Other Benefits	10
4. Eligibility Issues for Residents of Public Institutions or Medical Facilities.....	10
5. Personal Needs Allowance	11
6. Deeming	11
a. Spouse-to-Spouse Deeming	11
b. Parent-to-Child Deeming.....	12
c. Sponsor-to-Alien Deeming.....	12
E. INCENTIVES FOR WORK AND OPPORTUNITIES FOR REHABILITATION	12
1. Earned Income Exclusion.....	13
2. Impairment-Related Work Expense Exclusion.....	13
3. Work Expenses of the Blind Exclusion	13
4. Student Earned Income Exclusion	13
5. Plan for Achieving Self-Support	13
6. Special Provisions for Disabled People Who Work	13
7. Vocational Rehabilitation Referral/Reimbursement.....	14
F. ADMINISTRATION OF THE SSI PROGRAM	15
1. Application Process.....	15
2. Determinations of Eligibility	15
3. Representative Payees	16
4. Appeal Rights	16
5. Attorney Fees	16
6. Advance Payments	16
a. Emergency Advance Payments.....	16
b. Presumptive Disability or Blindness	17
G. STATE SUPPLEMENTATION	17
1. Optional State Supplementary Payment Programs.....	17
2. Mandatory State Supplementary Payment Programs.....	17
3. Administration of State Supplementary Payments	17
4. Mandatory Passalong.....	18
H. COORDINATION WITH OTHER PROGRAMS	18
1. Windfall Offset	18
2. Medicaid Determinations.....	18
3. Food Stamp Applications	19
4. Interim Assistance Reimbursement	19

IV. ESTIMATES OF PROGRAM PARTICIPATION AND FEDERAL EXPENDITURES UNDER THE SUPPLEMENTAL SECURITY INCOME PROGRAM, 1999-2023	21
A. ECONOMIC AND DEMOGRAPHIC ASSUMPTIONS	21
B. NUMBERS OF PARTICIPANTS IN THE SSI PROGRAM	24
C. FEDERAL PAYMENTS UNDER SSI	38
D. FEDERAL SSI PAYMENTS AS A PERCENTAGE OF GROSS DOMESTIC PRODUCT	43
E. THE SSI PROGRAM'S SHARE OF SSA'S ADMINISTRATIVE COSTS AND BENEFICIARY SERVICES COSTS	45
V. APPENDICES	46
A. HISTORY OF PROVISIONS	46
1. Basic Eligibility Requirements	46
2. Other Eligibility Provisions	47
a. Citizenship and Residence	47
b. Other Benefits	48
c. Drug Addiction and Alcoholism (DA&A)	49
d. Institutionalization	49
e. Vocational Rehabilitation and Treatment	50
f. Continuing Disability Reviews and Eligibility Redeterminations	51
g. Deeming of Income and Resources	52
3. Federal Benefit Payments	53
a. Windfall Offset	53
b. Proration of Benefit	54
c. Retrospective Monthly Accounting	54
d. Uncashed Checks	54
e. Rounding of Payment Amounts	54
4. Federal Benefit Rates	55
5. Exclusions from Income	56
a. General Exclusions	56
b. Special Exclusions	56
6. Limits and Exclusions from Resources	59
a. General Exclusions	59
b. Special Exclusions	60
7. Presumptive and Emergency Payments and Interim Assistance Reimbursement	61
a. Presumptive Payments	61
b. Emergency Advance Payments	62
c. Interim Assistance Reimbursement	62
8. Medicaid Eligibility	62
9. State Supplementation	64
B. INCOME AND RESOURCE EXCLUSIONS	66
1. Earned Income Exclusions	66
2. Unearned Income Exclusions	66
3. Resource Exclusions	68
C. HISTORICAL ALLOWANCE DATA	70
1. Technical Notes on the Disability Research File	70
2. General Considerations	71
D. HISTORICAL REDETERMINATION AND CONTINUING DISABILITY REVIEW DATA	74
1. Redeterminations	74
2. Continuing Disability Reviews	74

E. INCENTIVES FOR WORK AND OPPORTUNITIES FOR REHABILITATION	80
1. Work Incentives	80
a. Numbers of Participants in Work Incentive Programs	80
b. Average Earnings of Participants in Work Incentive Programs	82
2. Vocational Rehabilitation	82
F. INVOLVEMENT OF SSI RECIPIENTS IN OTHER PROGRAMS	84
G. BIBLIOGRAPHY OF RESEARCH ON RELATED TOPICS	85
1. Research Topics	85
a. Policy Evaluation of the Effects of the 1996 Welfare Reform Legislation on SSI Benefits for Children with Disabilities	85
b. Design and Implementation of Survey of Children with Disabilities	85
c. Policy Evaluation of the Overall Effects of Welfare Reform on SSA Programs—Phase I Evaluation Design	86
d. Project NetWork	86
e. State Partnership Return-to-Work Demonstrations—Design and Implementation of the Net Outcomes Evaluation	87
2. Bibliography	88
H. GLOSSARY	97

ADDITIONAL STATEMENT BY THE SOCIAL SECURITY ADVISORY BOARD

TABLES

III.H1	SSI State Supplementation and Coordination with Other Programs	20
IV.A1	Historical and Estimated Population in the Social Security Area as Projected for the Intermediate Assumptions of the 1999 OASDI Trustees Report, as of July 1, 1974-2023.	22
IV.A2	Social Security Cost-of-Living Adjustments and Federal Benefit Rates Estimated on the Basis of the Intermediate Assumptions of the 1999 OASDI Trustees Report, 1974-2023	23
IV.B1	SSI Federally-Administered Applications, Calendar Years 1974-2023.	25
IV.B2	SSI Federally-Administered New Entrants, Calendar Years 1974-2023 . . .	27
IV.B3	SSI Federally-Administered Terminations Due to Death, Calendar Years 1974-2023	29
IV.B4	SSI Federally-Administered Terminations Due to Reasons Other Than Death, Calendar Years 1974-2023.	30
IV.B5	SSI Federally-Administered Terminations for All Reasons, Calendar Years 1974-2023	31
IV.B6	SSI Recipients with Federal Benefits in Current-Payment Status as of December, 1974-2023.	32
IV.B7	SSI Recipients with Federal Benefits in Current-Payment Status as a Percentage of Selected Social Security Area Population Totals, as of December, 1975-2023.	34
IV.B8	SSI Recipients with Federally-Administered State Supplementary Benefits Only, in Current-Payment Status as of December, 1974-2023	36
IV.B9	SSI Recipients with Federally-Administered Benefits in Current-Payment Status as of December, 1974-2023.	37
IV.C1	SSI Federal Payments in Current Dollars, Calendar Years 1974-99	38
IV.C2	SSI Federal Payments in Current Dollars, Fiscal Years 1978-99	39
IV.C3	SSI Federal Payments in Constant 1999 Dollars, Calendar Years 1974-2023	41
IV.C4	SSI Federally-Administered State Supplementary Payments in Current Dollars, Calendar Years 1974-98.	42
IV.C5	SSI State-Administered Payments in Current Dollars, Calendar Years 1974-98	42
IV.D1	SSI Federal Payments as a Percentage of GDP, Calendar Years 1974-2023	44
IV.E1	Selected SSI Administrative Costs, Fiscal Years 1978-99	45

V.A1	Federal Benefit Rates Set by Legislation	55
V.C1	Disabled Adult Claims: Disposition of Applications for SSI Disability Benefits by Year of Filing and Level of Decision	72
V.C2	Disabled Child Claims: Disposition of Applications for SSI Disability Benefits by Year of Filing and Level of Decision	73
V.D1	SSI Redeterminations Completed, Fiscal Years 1986-98	74
V.D2	SSI Disabled Adult Reviews: Disposition of Continuing Disability Medical Reviews by Fiscal Year of Initial Decision and Level of Decision . .	76
V.D3	SSI Disabled Child Reviews: Disposition of Continuing Disability Medical Reviews by Fiscal Year of Initial Decision and Level of Decision . .	78
V.E1	SSI Federally-Administered Blind or Disabled Working Recipients as of December, 1987-98	81
V.E2	SSI Federally-Administered Blind or Disabled Individuals with SSI Recipient Status Participating in Other Work Incentives as of December, 1990-98	82
V.E3	Average Monthly Earnings of SSI Federally-Administered Blind or Disabled Working Recipients, as of December, 1987-98	82
V.E4	Vocational Rehabilitation Reimbursement Claims Allowed, Fiscal Years 1987-98	83

FIGURES

IV.B1	SSI Federally-Administered Applications by Age Group, Calendar Years 1980-2025	26
IV.B2	SSI Federally-Administered New Entrants by Age Group, Calendar Years 1980-2025	28
IV.B3	SSI Federally-Administered Terminations by Age Group, Calendar Years 1980-2025	32
IV.B4	SSI Recipients with Federal Benefits in Current-Payment Status, by Age Group, as of December, 1980-2025	33
IV.B5	SSI Recipients with Federal Benefits in Current-Payment Status as a Percentage of Selected Social Security Area Population Age Groups, as of December, 1980-2025	35
IV.C1	SSI Federal Payments, by Age Group, in Constant 1999 Dollars, Calendar Years 1980-2025	40
IV.D1	SSI Federal Payments, by Age Group, as a Percentage of GDP, Calendar Years 1980-2025	43
V.E1	SSI Federally-Administered Blind or Disabled Working Recipients as of December, 1987-98	81

I. INTRODUCTION

The Supplemental Security Income (SSI) program was established by Congress in 1972,¹ with payments beginning 25 years ago in January 1974, and is administered by the Social Security Administration (SSA). SSI replaced the former Federal-State programs of Old-Age Assistance (OAA), Aid to the Blind (AB), and Aid to the Permanently and Totally Disabled (APTD) in the 50 States and the District of Columbia. Residents of the Northern Mariana Islands became eligible for SSI in January 1978. Under the SSI program, each eligible person living in his/her own household and having no other countable income is provided, as of January 1999, a monthly Federal cash payment of \$500 (\$751 for a couple if both members are eligible). Since 1975, these Federal SSI benefit rates have been increased to reflect changes in the cost of living at the same time, and by the same percentage, as have benefits under the Old-Age, Survivors, and Disability Insurance (OASDI) program. In addition to setting a Federal benefit standard, the legislation establishing SSI also permitted individual States to supplement the Federal payment with an additional monthly amount. As described in section III, these State supplementation payments can be either voluntary at the option of the individual States or, in certain cases, mandatory under a requirement in the original SSI legislation.

Under section 231 of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (Public Law 104-193), the Commissioner of Social Security is required to submit a report on the SSI program to the President and Congress. Such report is to be submitted annually no later than May 30 of each year. Pursuant to this legislative mandate, this is the third in a series of such annual reports on the SSI program. The legislative mandate is very detailed concerning certain types of information about SSI that should be provided in the report. More specifically, section 231 requires that the report include:

- A comprehensive description of the SSI program;
- Historical and current data relating to (1) claims intake and dispositions at all levels of decision making; (2) demographic information about recipients, including program cost and prior enrollment in other public benefit programs; (3) redeterminations, continuing disability reviews, and utilization of work incentives; (4) administrative costs; and (5) State supplementation program operations;
- 25-year projections of future participation rates and program costs;
- An historical summary of statutory changes to title XVI of the Social Security Act; and
- Summaries of any relevant research on the SSI program by SSA or others.

In addition, the legislation specified that the report may include views of the SSI program by individual members of the Social Security Advisory Board, if so desired by any such Board member, or a joint report if one is agreed upon by the Board.

As discussed in the previous SSI Annual Reports, much of the required information is the subject of extensive ongoing research. For example, while historical program data are available from summaries of administrative records and have previously been published in a number of documents, many of the required subcategory totals have not always been collected on a consistent basis. To provide the detailed data for this report, extensive work was necessary to prepare retrospective estimates based on existing historical totals. Furthermore, except for the 75-year projections prepared for the OASDI² and Medicare³ Trustees Reports, most routine forecasts for government programs extend only 5-10 years into the future for use in connection with the President's Budget. Thus, mathematical

¹ Public Law 92-603, enacted October 30, 1972.

² The 1999 Annual Report of the Board of Trustees of the Federal Old-Age and Survivors Insurance and Disability Insurance Trust Funds, issued March 30, 1999.

³ The 1999 Annual Report of the Board of Trustees of the Federal Hospital Insurance Trust Fund and the 1999 Annual Report of the Board of Trustees of the Federal Supplementary Medical Insurance Trust Fund, issued March 30, 1999.

models capable of projecting SSI program costs 25 years into the future did not exist at the time of the enactment of Public Law 104-193. For purposes of the longer-range forecasts required in this report, SSA's Office of the Chief Actuary has begun a program of research and model development in an effort to enhance these 25-year forecasts. Furthermore, the Office of Research, Evaluation, and Statistics has begun an extensive project to analyze and validate historical data for the SSI program. The 1999 Annual Report represents the first stage of that model development process. Future editions of this report will reflect the results of our ongoing efforts in both these areas.

In responding to each of the specific requests for information, every effort has been made to provide the best information available at this time. As mentioned in the previous paragraph, it is expected that in future versions of this annual report improvements will continue to be made upon such information, in order to provide the President and Congress with the input necessary to effectively manage this important part of our society's social safety net.

In broad outline, the contents of the remainder of this report are as follows:

- Section II presents highlights of recent SSI program experience, a summary of important changes to the program in the last year, a discussion of current issues facing the SSI program, and a summary of the key results from the 25-year forecasts.
- Section III contains a comprehensive description of the SSI program.
- Section IV presents the details of our 25-year forecasts of SSI program participation and expenditures.
- Section V contains a series of technical appendices responding to each of the remaining legislative mandates for information about SSI.

II. HIGHLIGHTS

A brief history of the SSI program is presented in section III, including descriptions of the eligibility criteria and other features of the program, and rationales for why some of those provisions were included in the SSI statute. Another aspect of this picture, however, is an indication of how SSI affects the individuals it is intended to serve and the cost of paying these benefits, along with a discussion of current issues facing SSA in administering the program.

A. RECENT PROGRAM EXPERIENCE

SSI program experience during the past year included the following:

- On average during calendar year 1998, 6.3 million aged, blind, or disabled individuals received Federal SSI benefits on a monthly basis. An estimated 7.0 million aged, blind, or disabled individuals received at least 1 month's Federal SSI benefit during the year.
- Federal expenditures for cash payments under the SSI program during calendar year 1998 totaled \$27.7 billion.
- On average during calendar year 1998, 2.4 million aged, blind, or disabled individuals received Federally-administered State supplementary payments on a monthly basis. An estimated 2.7 million individuals received at least 1 month's Federally-administered State supplementary payment during calendar year 1998.
- State expenditures for Federally-administered supplements during calendar year 1998 totaled \$3.0 billion, excluding fees for Federal administration.
- The cost of administering the SSI program in fiscal year 1998 was \$2.3 billion.

B. SSI LEGISLATION SINCE THE 1998 ANNUAL REPORT

In comparison to the significant legislative changes made in the SSI program during 1996 and 1997, the legislative changes made in 1998 were less wide ranging in that they affected only a relatively small number of individuals.

Eligibility for Noncitizens.—Public Law 105-306¹ included a provision that continued SSI eligibility for certain noncitizens, as part of an effort to maintain such eligibility which began in 1997 with the enactment of Public Law 105-33.² The 1998 legislation permanently extended the SSI eligibility of all “nonqualified aliens” who were receiving SSI when the 1996 welfare reform legislation was enacted, provided all other SSI eligibility criteria continue to be met.³

Exclusion of Certain Gifts Made to Children.—Public Law 105-306 also included a provision that excludes from determinations of SSI eligibility and benefit amounts any in-kind gifts not converted to cash and the first \$2,000 annually of cash gifts made by tax-exempt organizations to, or for the benefit of, individuals under age 18 with life-threatening conditions.

Recovery of SSI Overpayments from Social Security Benefits.—Another provision in Public Law 105-306 authorized SSA to collect SSI overpayments by offsetting Social Security benefits, with a maximum monthly offset of no more than 10 percent of the amount of Social Security benefits payable in that month.

¹ The “Noncitizen Benefit Clarification and Other Technical Amendments Act of 1998,” enacted October 28, 1998.

² The “Balanced Budget Act of 1997,” enacted August 5, 1997.

³ Public Law 104-193, the “Personal Responsibility and Work Opportunity Reconciliation Act of 1996,” enacted August 22, 1996.

Exclusion of Certain Amounts in Individual Development Accounts.—Title IV of Public Law 105-285¹ established the Individual Development Account (IDA) demonstration project under which low-income individuals, including SSI recipients, may establish accounts in financial institutions that can be used for certain purposes such as purchasing a first home, meeting costs of college, and capitalizing a business. Funds deposited by individuals into IDAs are matched by governmental and nonprofit agencies participating in the demonstration. For SSI purposes, these matching funds are excluded in determining eligibility and benefit amount.

Exclusion of Payments Made Under Hemophilia Fund.—Public Law 105-369² excluded payments made under the Ricky Ray Hemophilia Relief Fund Act of 1998 from income and resources in determining SSI eligibility and benefit amounts.

C. CURRENT ISSUES FACING THE SSI PROGRAM

SSA continues to face challenges in administering the complex provisions of the SSI program.³ In an effort to deal with these challenges, the Commissioner has undertaken a major initiative to consolidate the effects of recent successful efforts to deal with problems of SSI administration, and to provide a coordinated vision for the future of the SSI program. In attempting to address issues of SSI administration, it is essential to recognize that SSI is a very important program that provides nearly 6.6 million aged, blind, and disabled individuals with basic necessities of food, clothing, and shelter. These individuals are among the most vulnerable Americans, who have little in the way of income or resources. For them, SSI is truly the program of last resort and is the safety net that protects them from complete impoverishment. Nevertheless, SSA in its stewardship role for the SSI program has an equally important responsibility to assure that limited government resources are spent appropriately.

Therefore, SSA has developed a comprehensive long-term approach to (1) improve SSI payment accuracy, (2) step up efforts to verify continuing disability eligibility, (3) expand opportunities for disabled recipients to return to work, (4) address the SSI program's potential vulnerability to fraud, and (5) enhance our overpayment recovery efforts. This multifaceted approach to improving SSA's administration of the SSI program remains one of the agency's highest priorities; it is described in detail in the Commissioner's report, "Management of the Supplemental Security Income Program: Today and in the Future," which was issued in October 1998.

In developing the initiatives for improved administration of the SSI program, it became clear that legislation is necessary to help address issues in the five identified areas. To this end, the Commissioner sent the "Supplemental Security Income Program Integrity Act of 1998" to Congress last May.⁴ The President's Fiscal Year 2000 Budget request includes the same proposals that were in SSA's 1998 draft bill. These proposals would:

- Expand the pool of data available to SSA for making eligibility and payment determinations,
- Assess penalties on individuals who misstate or withhold material facts as part of an eligibility or payment amount determination,
- Assess penalties on individuals who dispose of assets at less than fair market value in order to become eligible for SSI payments, and
- Provide SSA with additional overpayment recovery tools.

In addition, SSA's policy on the treatment of assets placed in trusts would be similar to current Medicaid trust policy.

¹ The "Assets for Independence Act" enacted October 27, 1998.

² Enacted November 12, 1998.

³ For example, in February 1997, the General Accounting Office (GAO) designated the SSI program as a high-risk area, citing concerns in three broad programmatic areas: (1) financial eligibility, (2) continuing disability eligibility, and (3) return-to-work. Another GAO "high-risk" report on the SSI program citing the same areas was issued in January 1999.

⁴ Although the bill was not taken up by the 105th Congress, there is interest in the 106th Congress in SSI management improvements.

In the area of expanding work opportunities for disabled SSI recipients, the President's Fiscal Year 2000 Budget includes funds to begin implementation of a return-to-work program which will help remove barriers to work for these recipients. The Administration supports current efforts to enact pending legislation that would result in:

- More opportunities for recipients to receive the vocational rehabilitation and employment services they need in order to work,
- Continued health benefits when they return to work, and
- An expedited process to return to the disability rolls if they are unable to keep working because of their impairment.

D. KEY RESULTS FROM THE 25-YEAR FORECASTS

The major findings in the 25-year forecasts prepared for this report are summarized below:

- Following recent declines in the SSI recipient population due to the combined impact of Public Law 104-121 and Public Law 104-193, modest growth in the SSI rolls resumed in 1998, and is expected to continue throughout the projection period largely due to the growth in the U.S. population. By 2023, the Federal SSI recipient population is estimated to reach 7.3 million. Expressed as a percentage of the total U.S. population, the number of Federal SSI recipients is projected to remain fairly level at roughly 2.2 percent of the population through 2023.
- Federal expenditures for SSI payments in calendar year 1999 are estimated to total \$28.6 billion, an increase of roughly \$900 million from 1998 levels. In order to provide estimates of future expenditures under the SSI program over 25 years which can be meaningfully compared, projections of Federal SSI expenditures are presented in constant 1999 dollars. Expressed in these terms, growth in SSI program outlays during the next 25 years is projected to remain relatively modest, roughly in line with overall growth in the U.S. population. In constant 1999 dollars, the cost of the program is projected to increase to \$34.1 billion in 2023.
- Furthermore, when compared to the Gross Domestic Product, Federal SSI expenditures are projected to decline over time, from the current level of 0.33 percent of GDP in 1998 to 0.26 percent of GDP by 2023.

III. THE SUPPLEMENTAL SECURITY INCOME PROGRAM

The Supplemental Security Income (SSI) program is a nationwide Federal assistance program administered by the Social Security Administration (SSA) that guarantees a minimum level of income for needy aged, blind, or disabled individuals. In January 1999, 6.6 million individuals received Federally-administered monthly SSI benefits¹ averaging \$367.

A. BACKGROUND

Entitlement programs for the aged, blind, or disabled have their roots in the original Social Security Act of 1935. That Act established an old-age social insurance program to be administered by the Federal Government and an old-age means-tested assistance program to be administered by the States. Similar programs for the blind or disabled were added to the Act in later years. Means-tested assistance was intended to supplement the incomes of individuals who were either ineligible for Social Security or whose benefits could not provide a basic living.

This means-tested assistance—also known as categorical adult assistance—actually comprised three separate programs—Old-Age Assistance (OAA), Aid to the Blind (AB), and Aid to the Permanently and Totally Disabled (APTD). Despite substantial Federal financing, these programs were essentially State programs; Federal law established only broad guidelines and assistance. Federal financing was open-ended in the sense that the Federal Government would provide matching funds to support whatever payment levels the States established. Federal law specified no maximum or minimum standards. Consequently, each State was responsible for deciding its own standards for determining who would get assistance and how much they would get. As a result, there were differing eligibility requirements and variations of payment levels from State to State.

Beginning in the early 1960s, this State-operated, Federally-assisted welfare system drew criticism from within and outside of government. Some of the criticism was directed at the “crazy quilt” eligibility requirements and payment levels. Other criticism centered on specific requirements, such as lien laws and provisions that required certain relatives to bear responsibility for the maintenance of needy family members. The disparity in the degree of Federal financial support provided States also was an acknowledged problem.

Responding to these concerns, Congress passed and the President approved the SSI program (Public Law 92-603, enacted October 30, 1972), which reversed the historic Federal and State roles with regard to adult assistance. Under the new arrangement, SSI would provide a uniform Federal income floor while optional State programs supplemented that floor. The new program was historic in that it shifted from the States to the Federal Government the responsibility for determining who receives assistance and how much assistance they would receive.

B. THE BASIC PLAN

The main objective of the SSI program is to provide the basic cash support of needy aged, blind, or disabled individuals. Congress designed the SSI program based on the following principles:

- Eligibility requirements and benefit standards that are nationally uniform and eligibility determinations based on objective criteria;
- An assistance source of last resort for the aged, blind, or disabled whose income and resources are below specified levels;
- Incentives and opportunities for those recipients able to work or to be rehabilitated that would enable them to reduce their dependency on public assistance;

¹ Including Federally-administered State supplementary payments.

- An efficient and economical method of providing assistance;
- Inducements to encourage States to provide supplementation of the basic Federal benefit and protection for former recipients of State adult assistance programs who were converted to the SSI program; and
- Appropriate coordination of the SSI program with the food stamp, medical assistance, and other programs.

Although SSI has undergone several significant changes since its enactment in 1972, these principles have been retained. The following description of the SSI program is organized according to the originating principles.

C. UNIFORM STANDARDS AND OBJECTIVE CRITERIA

Prior to the SSI program, aged, blind, or disabled individuals may or may not have been eligible for Federally-funded adult assistance depending on the State in which they lived. Benefit amounts also varied from State to State. The SSI program replaced the State-run programs of assistance with a program having nationally uniform standards and objective eligibility criteria. These standards include:

- A uniform limitation on the dollar amount or value of income and resources that an individual can have and still qualify for Federal assistance. Effective January 1, 1999, the countable income limit for individuals is \$500 a month and \$751 a month for eligible couples. The resource limit is \$2,000 in countable resources for individuals and \$3,000 for couples.
- Sixty-five as the minimum age limit for assistance based on age.
- A uniform definition of disability and blindness. The definitions for individuals 18 or older are the same as those used for the Social Security Disability Insurance program. In order to be considered disabled, an individual must have a medically determinable physical or mental impairment which is expected to last or has lasted at least 12 continuous months or result in death and (1) if 18 or older prevents him/her from doing any substantial gainful activity¹ or (2) if under 18 results in marked and severe functional limitations.² However, individuals for whom addiction to drugs or alcoholism is a contributing factor material to the determination of their disabilities are not eligible for benefits.³ In order to be considered blind, an individual must have central visual acuity of 20/200 or less in the better eye with the use of a correcting lens or have tunnel vision of 20 degrees or less.
- Uniform standards for citizenship and residency. In order to be eligible for SSI, an individual must be a citizen (or national) of the United States, an American Indian born outside the United States who is under section 289 of the Immigration and Nationality Act (INA) or who is a member of a Federally recognized Indian tribe under section 4(e) of the Indian Self-Determination and Education Assistance Act, a noncitizen who was receiving SSI benefits on August 22, 1996, or be a qualified alien in one of the following categories:⁴

¹ "Substantial gainful activity" (SGA) is used to describe a level of work activity that is both substantial—i.e., involves the performance of significant physical and/or mental duties which are productive—and gainful—i.e., performed for remuneration or profit. Generally earnings from work activity of over \$500 a month is evidence of ability to engage in SGA. If an SSI *applicant* is earning over \$500 a month, he/she generally would not be considered disabled. However, if an SSI *recipient* is earning over \$500 a month, he/she could continue to be eligible for SSI. (See "Incentives for Work and Opportunities for Rehabilitation" section III.E.) Effective July 1, 1999, the \$500 amount will be increased to \$700 (64 FR 18566).

² The definition of disability and blindness for individuals under age 18 reflects amendments made by Public Law 104-193, the Personal Responsibility and Work Opportunity Reconciliation Act of 1996. Prior to this, the law required a medically determinable physical or mental impairment of comparable severity to that required for individuals 18 or older.

³ This provision reflects amendments made by Public Law 104-121, the Senior Citizens' Right to Work Act of 1996, enacted March 29, 1996.

⁴ These standards reflect amendments made by Public Law 104-193, the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 as amended by Public Law 104-208 and Public Law 105-33. Prior to this, the law permitted SSI eligibility for individuals who were residents of the United States and—citizens or nationals of the United States; aliens lawfully admitted for permanent residence in the United States; or aliens permanently residing in the United States under color of law.

- Certain noncitizens who are blind or disabled and were lawfully residing in the United States on August 22, 1996;
- Refugees (eligibility limited to the 7-year period after their arrival in the United States);
- Asylees (eligibility limited to the 7-year period after the date they are granted asylum);
- Noncitizens who have had their deportations withheld under section 243(h) of the INA as in effect prior to April 1, 1997, or who have had their removals withheld under section 241(b)(3) of the INA (eligibility limited to the 7-year period after the date that deportation or removal is withheld);
- Cuban and Haitian entrants under section 501(e) of the Refugee Education Assistance Act of 1980 (eligibility limited to the 7-year period after the date that entrant status is granted);
- Amerasian immigrants admitted pursuant to section 584 of the Foreign Operations, Export Financing, and Related Programs Appropriations Act, 1988, and subsequent amendments (eligibility limited to the 7-year period after their arrival in the United States);
- Noncitizen active duty Armed Forces personnel, honorably discharged veterans, and their spouses and dependent children; or
- Lawful permanent residents who earn, or can be credited (from their spouses or parents) with, 40 qualifying quarters of earnings.

Note: Qualified alien status includes noncitizens who have been battered or subjected to extreme cruelty in the United States by a spouse or parent (or a member of the spouse's or parent's family) with whom they live, and who have an approved petition, or have a petition pending, setting forth a *prima facie* case for adjustment of their immigration status. However, to be eligible to receive SSI benefits, these noncitizens also must be in one of the categories listed above.

In addition to having to be a U.S. citizen (or national) or in one of the potentially eligible noncitizen categories, an individual must reside in the 50 States, the District of Columbia or the Northern Mariana Islands. An individual also must be physically present in the United States¹ for 30 consecutive days, if he/she had been outside of the United States for 30 or more consecutive days.

There are two exceptions to the residency and physical presence requirements:

- Blind or disabled children who are citizens of the United States may continue to be eligible for payments if they are living outside the United States with a parent who is on duty as a member of the U.S. Armed Forces.
- Students studying abroad for not more than 1 year also may continue to be eligible for payments if the studies are sponsored by a U.S. educational institution but cannot be conducted in the United States.

D. ASSISTANCE OF LAST RESORT

As a means-tested program, SSI takes account of all income and resources that an individual has or can obtain. The amount of an individual's countable income and resources are the measure of his/her need for assistance.

¹ Fifty States, the District of Columbia or the Northern Mariana Islands.

1. Income

The amount of an individual's income is used to determine both eligibility for, and amount of, his/her SSI benefit. As countable income increases, an individual's SSI benefit amount decreases. Generally, ineligibility for SSI occurs when countable income equals the Federal benefit rate plus the amount of applicable Federally-administered State supplementary payment (State supplementation is discussed later).

The monthly Federal benefit rate (currently \$500 for an individual; \$751 for an eligible couple) is reduced dollar-for-dollar by the amount of the individual's "countable" income—i.e., income less all applicable exclusions. Countable income is determined on a calendar month basis. The result of this computation determines SSI eligibility and the amount of the benefit payable. These benefit rates are adjusted annually (in January) to reflect changes in the cost of living.

When an individual lives in the household of another and receives support and maintenance in kind (i.e., generally room and board) from the householder, the Federal SSI benefit rate is reduced by one-third in lieu of counting the actual value of the support and maintenance as unearned income. The value of food, clothing, or shelter-related items the individual receives in kind from persons other than the householder (including in-kind assistance from outside the household in which he/she lives) is counted as unearned income. However, the amount that is countable is limited to an amount equal to one-third of the applicable Federal benefit rate plus \$20 (\$186.66 in 1999).

SSI law defines two kinds of income—earned and unearned. Earned income is wages, net earnings from self-employment, remuneration for work in a sheltered workshop, royalties on published work, and honoraria for services. All other income is unearned. The distinction between earned and unearned income is significant because different exclusions apply to each type of income.

However, not everything an individual receives is considered to be income. Generally, if the item received cannot be used as, or to obtain, food, clothing, or shelter, it will not be considered as income. For example, if someone pays an individual's medical bills, or offers free medical care, or if the individual receives money from a social services agency that is a repayment of an amount he/she previously spent, that value is not considered income to the individual. In addition, some items that are considered to be income are excluded when determining the amount of an individual's benefit.

Income Exclusions¹

The principal *earned* income exclusions are:

- The first \$65 per month plus one-half of the remainder,
- Impairment-related work expenses of the disabled and work expenses of the blind,
- Income set aside or being used to pursue a plan for achieving self-support by a disabled or blind individual, and
- Infrequent or irregularly received income (\$10 or less a month).

The principal *unearned* income exclusions are:

- The first \$20 per month,²
- Income set aside or being used to pursue a plan for achieving self-support by a disabled or blind individual,
- State or locally funded assistance based on need,
- Rent subsidies under HUD programs and the value of food stamps, and
- Infrequent or irregularly received income (\$20 or less a month).

¹ A complete list of the SSI income exclusions can be found in section V.B.

² Any portion of this \$20 amount not used to exclude unearned income may be used to exclude earned income.

2. Resources

The amounts of individuals' resources are used to determine whether they are eligible for SSI in any given month. SSI law states that eligibility is restricted to individuals who have countable resources (determined on a monthly basis) not exceeding \$2,000, or \$3,000 in the case of couples, but does not define what resources are. The law does stipulate what items are to be excluded from resources.

Regulations stipulate that a resource is cash or other liquid asset or any real or personal property that individuals (or their spouses) own and could convert to cash to be used for their support and maintenance. This definition is consistent with the general philosophy of the SSI program that only items that can be used for an individual's food, clothing or shelter should be used in determining his/her eligibility and benefit amount. Not all resources an individual owns are counted. The value of an item may be totally excluded or counted only to the extent that its value exceeds specified limits.

Resource Exclusions¹

The principal resource exclusions are:

- The home and land appertaining to it, regardless of value;
- Life insurance policies whose total face value does not exceed \$1,500;
- Burial funds not in excess of \$1,500 (plus accrued interest);
- Household goods and personal effects in which one's equity does not exceed \$2,000;
- An automobile depending upon its use, otherwise, the current market value not in excess of \$4,500;
- Property essential to income producing activity; and
- Resources set aside to fulfill a plan to achieve self-support.

3. Filing for Other Benefits

As the "program of last resort," SSI benefits are provided to eligible individuals only to the extent that their needs are not met by other sources. That is, after evaluating all other income and resources, SSI pays what is necessary to bring an individual to the statutorily prescribed income "floor." In keeping with this principle, SSI law requires that SSI applicants file for other payments for which they may be entitled, such as annuities, pensions, retirement or disability benefits, worker's compensation, and unemployment insurance benefits.

SSA must provide an individual with written notice of potential eligibility for other benefits and of the requirement to take all appropriate steps to pursue these benefits. The individual has 30 days from receipt of the notice to file for the benefits involved.

4. Eligibility Issues for Residents of Public Institutions or Medical Facilities

State and local governments—rather than the Federal Government—traditionally have taken the financial responsibility for residents of their public institutions. The SSI program continues this long-standing public assistance policy. People who are residents of public institutions for a full calendar month are generally ineligible for SSI unless one of the following exceptions applies:

- The public institution is a medical treatment facility and Medicaid pays more than 50 percent of the cost of care, or in the case of a child under age 18, Medicaid and/or private health insurance pays more than 50 percent of the cost of care;

¹ A complete list of the SSI resource exclusions can be found in section V.B.

- The public institution is a publicly operated community residence which serves no more than 16 residents;
- The public institution is an emergency shelter for the homeless (payments are limited to no more than 6 months in any 9-month period);
- The recipient was eligible under section 1619(a) or (b) for the month preceding the first full month in the public institution and is permitted by the institution to retain any benefits (payable for up to 2 months); or
- A physician certifies that the recipient's stay in a medical facility is likely not to exceed 3 months and continued SSI eligibility is needed to maintain and provide for the expenses of the home to which the individual will return.

5. Personal Needs Allowance

When individuals enter medical treatment facilities in which more than half of the bill is paid by the Medicaid program, their monthly Federal payment standard is generally reduced to \$30, beginning with the first full calendar month they are in the facility. In the case of an individual under age 18, the \$30 payment standard is also applicable if more than half of the bill is paid by private insurance or a combination of Medicaid and private insurance. The theory behind this provision is that the individual's basic needs are being met by the medical facility. In these cases, the SSI program provides up to \$30 a month, which is intended to take care of small comfort items not provided by the institution.

6. Deeming

In certain situations the income and resources of others are counted in determining whether an individual's income and resources fall below the levels established by law. This process is called "deeming" and is applied in cases where an eligible individual lives with an ineligible spouse, an eligible child lives with an ineligible parent, or an eligible noncitizen has a sponsor.¹ In concept, the practice takes into account the responsibility of the spouse, parent, or sponsor to provide for the basic needs of the eligible individual.

a. Spouse-to-Spouse Deeming

When an eligible individual lives in the same household with a spouse who is not eligible for SSI, the ineligible spouse's income and resources are deemed to be available to the eligible individual. In determining the amount of income and resources available to the eligible individual, all applicable exclusions are used. In addition, a living allowance is provided for the ineligible spouse, as well as any ineligible children under age 21 living in the household. The allowance reduces the amount of income to be deemed. Spouse-to-spouse deeming is intended to result in the same amount of income available to the couple as would be available if both members of the couple were aged, blind, or disabled and eligible for SSI.

Deeming does not apply when the eligible individual is not living in the same household as the ineligible spouse. However, if the ineligible spouse's absence is temporary or is due solely to an active duty assignment as a member of the U.S. Armed Forces, deeming would continue to apply.

¹ Deeming also applies to an individual who lives with an essential person (a concept carried over from the former State assistance plans). However, there are fewer than 100 of these cases remaining.

b. Parent-to-Child Deeming

A child under age 18 is subject to deeming from an ineligible natural or adoptive parent (and that parent's spouse, if any) living in the same household. Certain amounts of the parent's income are excluded, living allowances are provided for the parent(s) and an allocation is set aside for each ineligible child under age 21 who is living in the household. Deeming from an eligible parent to a child would continue if the parent is absent from the household but the absence is temporary or is due solely to active duty assignment as a member of the U.S. Armed Forces. If a child lives in a household in which all members are receiving public assistance benefits, that child is not considered to be receiving any support and deeming would not apply.

c. Sponsor-to-Alien Deeming

The income and resources of noncitizens are deemed to include those of their sponsors. The way the income and resources are deemed and the length of the deeming period depend on whether the sponsor signed a legally enforceable affidavit of support¹ or the previous version of the affidavit. Generally, individuals who entered the country before 1998 did so under the old version of the affidavit.²

Under the old version of the affidavit, deeming of the sponsor's income and resources lasts until the noncitizen has been in the United States for 3 years.³ Living allowances equal to the Federal benefit rate are provided for the sponsor, and allowances equal to one-half of the Federal benefit rate are provided for each of the sponsor's dependents. Allowances are also provided for the sponsor and his/her family members in determining deemed resources. These allowances reduce the amount of the sponsor's income and resources deemed to the noncitizen.

For noncitizens admitted into the country under legally enforceable affidavits of support, deeming generally applies until the noncitizens become U.S. citizens. Unlike spouse-to-spouse, parent-to-child, and three-year sponsor-to-alien deeming, all countable income and resources of the sponsor or his/her spouse are deemed to the noncitizen.⁴

For noncitizens who were admitted into the United States under a legally enforceable affidavit of support, deeming ends before citizenship if the noncitizen has earned, or can be credited with, 40 qualifying quarters of earnings. Children and spouses of workers may be credited with quarters earned by the worker. A quarter otherwise earned after 1996 does not count as one of the required 40 if the noncitizen or worker received Federal means-tested public benefits during the relevant period.

Also for this group of noncitizens, deeming does not apply for specified periods if the noncitizens or their children or parents have been battered or subjected to extreme cruelty while in the United States or if sponsors leave the noncitizens indigent by not providing them with sufficient support.

E. INCENTIVES FOR WORK AND OPPORTUNITIES FOR REHABILITATION

SSI benefits provide a basic level of assistance for individuals who are blind or disabled with limited earnings ability due to their impairments. Nonetheless, for recipients who want to work, the SSI program is designed to encourage and support their work attempts in order to help them achieve greater degrees of independence. SSI includes a number of work incentive provisions that enable recipients who are blind or disabled to work and retain benefits or to increase their levels of work activity without the loss of SSI disability status or Medicaid. These incentives provide higher amounts of income or resource exclusions as recognition of the expenses associated with working or as inducements to seek rehabilitation services and support for work efforts.

¹ Legally enforceable affidavits of support are required by Public Law 104-208.

² The Immigration and Naturalization Service (INS) began using the new, legally enforceable affidavits on December 19, 1997. However, if a potential immigrant had a visa issued before that date, the sponsor would sign an old affidavit even if the affidavit was signed after December 19, 1997.

³ For a temporary period—January 1994 through September 1996—the deeming period was 5 years.

⁴ For example, no living allowances are provided for the sponsor or the sponsor's family.

1. Earned Income Exclusion

The first \$65 (\$85 if the individual has no income other than earnings) of any monthly earned income plus one-half of remaining earnings are excluded for SSI benefit computation purposes. This general earned income exclusion is intended to help offset expenses incurred when working. It assures that SSI recipients who are working will be rewarded for their efforts by having greater total income than those who do not work.

2. Impairment-Related Work Expense Exclusion

The cost of certain impairment-related services and items that a disabled (but not blind) individual needs in order to work are excluded from earned income in determining monthly countable income.

In calculating these expenses, amounts equal to the costs of certain attendant care services, medical devices, equipment, prostheses and similar items and services are deductible from earnings. The costs of routine drugs and routine medical services are not deductible unless these drugs and services are necessary to control the disabling condition.

3. Work Expenses of the Blind Exclusion

The work expense provision for individuals who are blind is more liberal than the impairment-related work expense provision for individuals who are disabled. Any earned income that a blind individual uses to meet expenses relating to work is not counted in determining SSI eligibility and benefit amounts.

A deductible expense need not be directly related to the worker's blindness; it need only be an ordinary and necessary work expense of the worker. Some frequently excluded work expenses include transportation to and from work, meals consumed during work hours, job equipment, licenses, income or FICA taxes, and costs of job training.

4. Student Earned Income Exclusion

The student earned income exclusion is an additional exclusion for an individual who is neither married nor the head of a household, under age 22 and regularly attending school. It is intended to help defray the cost of educational training. Under current regulations, up to \$400 of earned income per month but no more than \$1,620 per year may be excluded.

5. Plan for Achieving Self-Support

A plan for achieving self-support (PASS) allows a disabled or blind individual to set aside income and resources to get a specific type of job or to start a business. This may involve setting aside funds for education or vocational training. Funds can even be set aside to purchase work-related equipment or pay for transportation related to the work goal. The income and resources that are set aside are excluded under the SSI income and resources tests.

The individual must have a feasible work goal, a specific savings or spending plan, and must provide for a clearly identifiable accounting for the funds which are set aside. The PASS also must be approved by SSA. The individual must then follow the plan and negotiate revisions as needed. SSA monitors the plans once approved by reviewing them periodically to ensure the individual's progress towards attaining the work goal.

6. Special Provisions for Disabled People Who Work

This work incentive generally is referred to by its section number in the Social Security Act, section 1619. Under section 1619(a), disabled individuals who would cease to be eligible because of earnings over the substantial gainful activity limit can receive special cash benefits as long as they:

- Continue to have the disabling condition,
- Have income under the amount which would cause ineligibility for any payment under SSI income counting rules, and
- Meet all other nondisability requirements for SSI payment.

In many States, being a recipient of the special benefit permits the individual to be eligible for Medicaid benefits.

Under section 1619(b), "SSI recipient" status for Medicaid eligibility purposes also is provided to individuals:

- Whose earnings preclude any SSI payment but are not sufficient to provide a reasonable equivalent of the SSI, social services, and Medicaid benefits that the individuals would have in the absence of earnings; and
- Whose ability to continue working would be seriously inhibited by the loss of social services and Medicaid benefits.

To qualify for extended Medicaid coverage under section 1619(b) an individual must:

- Have a disabling condition,
- Need Medicaid in order to work,
- Not be able to afford equivalent medical coverage and publicly funded personal or attendant care which would be lost without assistance,
- Meet all nondisability requirements for SSI payment other than earnings, and
- Have received a regular SSI cash payment in a previous month within the current period of eligibility. (In some States, the individual must have qualified for Medicaid the month preceding the first month of 1619 eligibility.)

In determining whether individuals' earnings are not sufficient to provide them with the equivalent benefits they would be eligible for if they stopped working, their earnings are compared to a threshold amount for their State of residence. Section 1619(b) status continues if the earnings are below the threshold. If earnings exceed the State threshold, an individualized assessment of the need for Medicaid is made and 1619(b) status may continue.

7. Vocational Rehabilitation Referral/Reimbursement

Since the beginning of the SSI program, SSA has made provision for blind or disabled individuals who are receiving SSI benefits to be referred to the State Vocational Rehabilitation (VR) agencies. If the State agency does not accept the referral, SSA can refer recipients to an alternate provider. SSA reimburses the VR agency for services provided in situations where the services result in the individual's working at the substantial gainful activity level for a continuous period of 9 months, and in certain other limited situations.

Individuals receiving SSI benefits who improve medically and, therefore, are no longer considered disabled or blind can continue to receive SSI benefits if they are actively participating in an approved VR program and completion of the program would increase the likelihood that they will be permanently removed from the SSI rolls. SSI benefits and Medicaid generally continue until the rehabilitation services are completed or until the individual ceases to participate in the program.

Individuals age 16 or older who receive SSI benefits due to blindness or disability and who refuse, without good cause, to accept available rehabilitation services based upon a referral from SSA shall be ineligible for SSI.

F. ADMINISTRATION OF THE SSI PROGRAM

The framers of the SSI program chose SSA to administer the SSI program because the basic system for paying monthly benefits to a large number of individuals was already in place in the form of the Social Security program, and SSA had a longstanding reputation for dealing with the public in a fair and humane manner.

1. Application Process

Individuals can make appointments to apply for SSI benefits at any one of the approximately 1,300 SSA field offices around the country or through SSA teleservice centers. The claims process includes the application interview, the obtaining of necessary evidence and documentation, and the adjudication of the claim. Although the eligibility requirements of the Social Security program and the SSI program are different, the application process is very similar. Many times, individuals file for benefits under both programs at the same time. Potential claimants initially contact SSA by phone, mail or in person. Field office personnel conduct an interview with the claimant and/or his/her representative.

SSA corroborates information provided by applicants for SSI through independent or collateral sources. Generally, the basic responsibility for obtaining evidence lies with the claimant, although SSA often gives advice on ways to obtain the needed information. Because of the special circumstances of the SSI population (for example, financial need, old age, or illness), SSA makes special efforts to assist claimants in obtaining the necessary proofs.

With regard to disability and blindness claims, SSA makes determinations of all of the nonmedical eligibility factors while each State's Disability Determination Service (DDS) makes determinations of the medical eligibility factors.

2. Determinations of Eligibility

SSI applications have no retroactivity and become effective in the month after the month of filing or the month after all eligibility requirements are met, whichever is later. Eligibility for benefits is determined on a monthly basis. The amount of the monthly benefit generally is determined using income in the second month preceding the month for and in which the benefit is paid (a method called retrospective monthly accounting). However, at the start of a period of eligibility or re-eligibility, the benefits for the first and second months both are determined using the income received in the first month.

SSI recipients are required to have their nonmedical eligibility factors redetermined periodically, generally every 1 to 6 years depending on their specific situation.

In addition to these nonmedical reviews, medical reviews are conducted on disabled or blind recipients in order to determine if they continue to be disabled or blind. For administrative efficiency the medical reviews are done most often on those disabled or blind recipients whose medical conditions are considered likely to improve. Medical reviews are required for disabled or blind recipients, for example, under the following circumstances:

- When earnings of recipients exceed the substantial gainful activity limit;
- At least once every 3 years for recipients under age 18 whose medical conditions are considered likely to improve;
- Within 12 months after birth for recipients whose low birth weight is a contributing factor material to the determination of their disability; and
- Within 1 year after attainment of age 18 and using the adult eligibility criteria, for recipients whose eligibility for SSI benefits was established under the disabled child eligibility criteria.

3. Representative Payees

When SSI recipients are incapable of handling their benefits, SSA appoints representative payees for them, and their SSI benefits are sent to the representative payees. In many cases the representative payee is a spouse, a parent, or other close relative who will act in the recipient's best interest. In some cases, an SSA-approved organization may be appointed and some organizations may deduct a fee from the benefit for acting as payee. The fee cannot exceed the lesser of 10 percent of the benefit amount or a specified amount (\$27 a month in 1999 (\$53 a month in the case of an organization acting as payee for disabled recipients who also have a drug addiction or alcoholism condition)).

Representative payees may only use an SSI recipient's benefit for the use and benefit of the recipient and must account for all benefits received. Representative payees also are required to report any changes that may affect SSI recipients' eligibility and payment amount and may be held liable for any overpayments that occur. In cases in which a child is due a retroactive payment that exceeds six times the Federal benefit rate, the representative payee is required to establish an account at a financial institution to maintain the retroactive payment. Expenditures from the account must be used primarily for certain expenses related to the child's impairment.

4. Appeal Rights

Recipients must be informed in writing in advance of adverse actions SSA plans to take and must be given the opportunity to request that their benefits continue pending a decision at the first level of appeal.

5. Attorney Fees

At any time, an individual may appoint a representative in any dealings with the Social Security Administration. If such a representative is an attorney, he/she must be in good standing, have the right to practice law before a court, not be disqualified or suspended from acting as a representative in dealings with Social Security and not be prohibited by any law from acting as a representative. If the individual is not an attorney, he/she must meet qualifications specified by the Commissioner (e.g., be of good character and able to provide valuable service to claimants).

A representative may charge and receive a fee for his/her services, but the Social Security Administration generally decides how much the fee shall be. Generally, the maximum fee that would be authorized is 25 percent of the retroactive payment or \$4,000, whichever is less. A representative cannot charge or receive more than the fee amount authorized. SSI differs from the Social Security program in that amounts cannot be withheld from an individual's SSI benefits to pay for attorney fees. SSI claimants are responsible for paying such fees directly to their attorneys.

6. Advance Payments

The SSI program has provisions which help to respond to the immediate needs of new claimants. These procedures are in addition to State and local programs designed to help those in need pending decisions on their SSI status.

a. Emergency Advance Payments

A new claimant who faces a financial emergency, and for whom there is a strong likelihood to be found eligible, may receive up to one month's SSI benefits, the Federal payment amount plus any applicable State supplement. The amount paid is recovered from later SSI payments (in full from the first payment or in increments over no more than a 6-month period, depending upon the circumstances). However, if the claim is subsequently not allowed because of not finding disability or blindness, repayment would be waived. If the claim is disallowed for other reasons, the amount paid would be an overpayment and processed as such.

b. Presumptive Disability or Blindness

Up to 6 months' payments may be made to an individual applying for benefits based on disability or blindness when the available evidence reflects a high degree of probability that his/her impairment will meet the definition of disability or blindness and he/she is otherwise eligible. These payments are not considered overpayments if the individual is later determined not to be disabled or blind.

G. STATE¹ SUPPLEMENTATION

In designing the SSI program Congress recognized that States, in many instances, would want to provide a higher level of income maintenance than was available under the Federal program. At the same time States were given the option to either provide no supplementation to the Federal assistance payments or to supplement those payments based on their views of the needs of their citizens. They were mandated to assure that their citizens would not receive lower benefits under the Federal program than they had under the former State program. The following paragraphs describe the various forms of State supplementation that currently exist. Table III.H1 summarizes State-specific participation in these programs as well as other programs requiring State and Federal coordination as discussed in section H.

1. Optional State Supplementary Payment Programs

For individuals who first became eligible for SSI in 1974 or later, each State could supplement Federal payments to whatever extent it found appropriate with respect to the needs of its citizens and resources of the State. In 1999, 44 States have optional State supplementary payment programs.

Some States provide supplementary payments to all individuals eligible for SSI benefits, while others may limit them to certain SSI recipients such as the blind or residents of domiciliary-care facilities, or may extend them to persons ineligible for SSI because of excess income. States' flexibility in setting supplementary payments, however, has been significantly restricted by mandatory passalong provisions (described below).

2. Mandatory State Supplementary Payment Programs

States are required² to maintain the December 1973 income levels of individuals who were transferred from the former State adult assistance programs to the SSI program in 1974, except for Texas which has a constitutional bar against State supplementation. Because of the increases in Federal benefits over the years, there are few individuals who continue to receive mandatory State supplementary payments. In December 1998, there were roughly 2,200 such recipients.

3. Administration of State Supplementary Payments

A State may administer its supplementary program or enter into an agreement under which SSA will make eligibility determinations and payments on behalf of the State. Under State administration, the State pays its own program benefits and absorbs the full administrative costs. Under Federal administration States are required to pay SSA a \$7.60 fee for each supplementary payment issued in fiscal year 1999. Fees are scheduled to rise in succeeding fiscal years.

States that administer their own supplementary payment programs establish their own eligibility criteria. States with Federally-administered programs must adhere to SSI eligibility criteria in all aspects except that they may establish additional income disregards.

¹ References to State include, in addition to the 50 States, the District of Columbia.

² Requirement does not affect West Virginia, since, in 1973, Federal SSI income standards exceeded those under the State's adult assistance programs.

4. Mandatory Passalong

It was originally Congress' view that increases in the Federal SSI benefit rate eventually would replace State supplementary payments. However, public reaction to States reducing their supplementary payment amounts when SSI payments were increased led Congress to mandate that States pass along SSI benefit increases resulting from cost-of-living adjustments.

To meet the passalong requirement, a State may either maintain each State payment level from year-to-year—the “payment levels” method—or it may spend the same amount of money, in the aggregate, that it spent for supplementary benefits in the 12-month period preceding the increase in the SSI benefit rate—the “total expenditures” method. Currently 38 States use the levels method and 11 use the expenditure method. Two States are unaffected by the mandatory passalong requirement. Texas has no mandatory or optional supplementary program because of a State constitutional restriction. West Virginia has no optional supplementary plan and was not required to establish a mandatory plan because Federal SSI income standards exceeded all payments made under the State's adult assistance programs in 1973.

H. COORDINATION WITH OTHER PROGRAMS

SSI benefits are not the only form of assistance available to needy aged, blind, or disabled individuals. Medicaid, food stamps, and temporary State assistance also are important in keeping individuals from sliding further into poverty. SSA plays a limited but important role in helping States with regard to administration of Medicaid and food stamp programs, and provisions in the SSI statute assure that payments made by States or under the Social Security program are not duplicated by SSI benefits.

1. Windfall Offset

If a person receives SSI payments, and is later determined to be entitled to retroactive Social Security benefits, such retroactive benefits are reduced by the amount of SSI payments the person would not have been eligible for had the Social Security benefits been paid in the month they were due. This process is called the “windfall offset” and was enacted to prevent windfall payments to individuals when Social Security and SSI payments were paid for the same period.

2. Medicaid Determinations

Generally, SSI recipients are categorically eligible for Medicaid. A State may either use SSI eligibility criteria for determining Medicaid eligibility, or may use its own criteria as long as the criteria is no more restrictive than the State's January 1972 medical assistance standards. Forty States use SSI criteria and 11 States use their own criteria.

States also may enter into agreements with SSA for SSA to make Medicaid eligibility determinations on their behalf as long as the eligibility requirements of the State's Medicaid plans are the same as those for the SSI program. Under these agreements, SSA determines only when an individual is eligible for Medicaid; SSA does not determine Medicaid ineligibility. SSA has Medicaid determination agreements with 33 States.

Continued Medicaid eligibility is provided in SSI law for certain Social Security beneficiaries who lose SSI due to entitlement to Social Security benefits, or due to an increase in Social Security benefits resulting from:

- Cost-of-living adjustments,
- Actuarial increases in widow(er)s benefits,
- Changes in the definition of disability for widow(er)s benefits, or
- Increases in disabled adult child benefits.

3. Food Stamp Applications

SSI recipients in all States, except California,¹ may be eligible for food stamps. Under agreements entered into by the Secretary of Agriculture and SSA, Social Security offices notify Social Security and SSI applicants and recipients of their potential benefits under the Food Stamp program and make food stamp applications available to them.

The law also provides for Social Security offices to take food stamp applications from potentially eligible or eligible SSI households which are not already receiving food stamps and which do not have a food stamp application pending. Food stamp applications from SSI households may be taken in connection with initial SSI claims or at the time of a redetermination. Food stamp applicants have the option of applying at Social Security offices or applying at State food stamp offices if expedited service is required. Social Security offices forward the food stamp applications and any supporting documents to the local food stamp offices within 1 day of taking the application. Eligibility is determined by the food stamp office.

4. Interim Assistance Reimbursement

SSA may enter into agreements under which States or local governments are reimbursed for basic needs assistance provided during the period that either an eligible individual's SSI application for benefits was pending, or the individual's SSI benefits were suspended and subsequently reinstated (the interim period).

Under these interim assistance reimbursement agreements, if the individual has given SSA written authorization, SSA sends an individual's first SSI benefit check relating to the interim period to the State or local jurisdiction that had provided the interim assistance. The State then deducts the amount it is owed and is required to forward the remainder to the claimant within 10 days.² Thirty-eight States have interim assistance agreements with SSA.

¹ California "cashes out" food stamps and SSI recipients there receive a cash payment in their State supplementary payment in lieu of food stamps.

² Beginning in August, 1996, in certain disabled children's cases, SSA first reimburses the State, then pays the remainder into special dedicated financial institution accounts for the children. In all cases where the retroactive benefits exceed a certain amount, SSA reimburses the State, then pays the remainder in installments to the recipient or his/her representative payee.

Table III.H1.—SSI State Supplementation¹ and Coordination with Other Programs

United States and District of Columbia	Optional State program—Administered by:			Method of mandatory passalong of benefit increases from cost-of-living adjustments		Medicaid eligibility determination—		Interim assistance reimbursement agreement with SSA	
	State	Federal (SSA)	Federal & State	"Payment levels"	"Total expenditures"	Federal criteria	State criteria		Agreement with SSA to determine eligibility
Alabama ²	*			*		*		*	
Alaska	*			*		*			*
Arizona	*			*		*		*	*
Arkansas ³				*		*		*	
California		*		*		*		*	*
Colorado	*				*	*		*	*
Connecticut ²	*			*			*		*
Delaware		*		*		*		*	
District of Columbia		*			*	*		*	*
Florida ²	*			*		*		*	*
Georgia ³				*		*		*	*
Hawaii		*		*			*		*
Idaho	*				*	*			
Illinois	*			*			*		
Indiana	*			*			*		*
Iowa			*		*	*		*	*
Kansas ³				*		*			*
Kentucky ²	*			*		*		*	*
Louisiana ⁴	*			*		*		*	
Maine	*				*	*		*	*
Maryland ⁴	*			*		*		*	*
Massachusetts		*		*		*		*	*
Michigan			*	*		*		*	* 5
Minnesota	*			*			*		*
Mississippi ³				*		*		*	
Missouri	*			*			*		*
Montana		*		*		*		*	*
Nebraska	*				*	*			*
Nevada ²		*		*		*			*
New Hampshire	*			*			*		* 5
New Jersey		*		*		*		*	*
New Mexico	*			*		*		*	* 5
New York			*	*		*		*	*
North Carolina	*			*		*		*	*
North Dakota	*			*			*		
Ohio ⁴	*			*			*		*
Oklahoma	*				*		*		
Oregon	*				*	*			*
Pennsylvania		*		*		*		*	*
Rhode Island ²		*		*		*		*	* 5
South Carolina ²	*			*		*		*	
South Dakota ⁴	*			*		*		*	
Tennessee ³				*		*		*	*
Texas ⁶						*		*	
Utah ²		*		*		*			*
Vermont ²			*	*		*		*	*
Virginia	*				*		*		*
Washington			*		*	*		*	*
West Virginia ⁶						*		*	
Wisconsin	*				*	*		*	*
Wyoming	*			*		*		*	*
Total number of States	28	11	5	38	11	40	11	33	38

¹ See body of text for description of the various forms of State supplementation.

² State no longer has any recipients receiving mandatory minimum State supplementation.

³ Mandatory minimum State supplementation program is Federally-administered. No optional program.

⁴ Mandatory minimum State supplementation program is Federally-administered.

⁵ State provides assistance only to individuals who have SSI applications pending.

⁶ State does not have a mandatory minimum State supplementation program.

IV. ESTIMATES OF PROGRAM PARTICIPATION AND FEDERAL EXPENDITURES UNDER THE SUPPLEMENTAL SECURITY INCOME PROGRAM, 1999-2023

As described in section III, eligibility for payments under the SSI program depends on a collection of provisions related to the socioeconomic status of the individual, as well as the evaluation of disability or blindness for all persons under age 65, and for certain individuals at ages 65 or older. Consequently, future SSI program participation will depend on a variety of difficult-to-predict factors including the performance of national and local economies, distribution of personal income within that macroeconomic framework, the prevalence of disability in the general population, and the determination of disability as defined by the Social Security Act.

Estimates of expenditures under the SSI program, prior to the issuance of the first SSI Annual Report in May 1997, were of a short-term nature prepared in conjunction with the President's Budget. These short-term projections relied exclusively on the evaluation of recent historical trends in the SSI program, and the extrapolation of such trends into the next few years. The provisions of Public Law 104-193 mandating this report required that such projections of future program participation be prepared for a period of 25 years. As was discussed in the 1997 Annual Report, due to the complex interaction between the economy and the SSI program, models for projecting SSI program participation over such an extended time period should incorporate more sophisticated concepts than the trend analysis traditionally used for budget purposes. In the 1998 Annual Report, the Office of the Chief Actuary announced the beginning of a multi-year program of research intended to develop the appropriate data and models to reflect the impact of the relevant cofactors on the future of the SSI program. We expect to incorporate partial improvements to our models on an annual basis, and the estimates presented in this and future reports will reflect such step-wise improvements.

For this third annual report, our estimates are based on the first stage of that model development process. The nature of the enhancements made to our models since the 1998 Annual Report involve the disaggregation of the basic population by single year-of-age in order to better understand and forecast the various transitions in and out of payment status. In addition, movements out of payment status were further examined by reason for such movements, although at this stage the analysis was limited to two broad groups: (1) terminations due to death and (2) suspension of payment due to all other reasons.¹ The work underlying these model enhancements involved extensive development of historical databases with the necessary age-specific details, along with a complete rewriting of our forecasting models to handle this additional disaggregation appropriately. An immediate benefit of this new approach is the ability to better forecast the transition from status as a disabled child to status as a disabled adult at age 18. Furthermore, the additional detail in our new model provides an enhanced ability to analyze the age structure of the historical and forecasted disabled adult population. The presentation of forecast results in the remainder of this section have been reorganized to correspond to our new model structure. In particular, all tables now present SSI population information by selected age groups, rather than groups based exclusively on SSI recipient categories. Where certain recipient categories have overlapping age distributions, recipient category totals are still shown.

A. ECONOMIC AND DEMOGRAPHIC ASSUMPTIONS

As in previous annual reports, the estimates presented in this section have been prepared in a manner which accounts for the basic demographic changes expected to occur over the next 25 years. In addition, the indexation of the Federal benefit rate depends on a projection of the Consumer Price Index (CPI) over that same 25-year period. For purposes of developing these estimates, we have relied on the demographic projections and CPI assumptions underlying the intermediate estimates prepared for the 1999 Annual Report of the Board of Trustees of the Federal Old-Age and Survivors Insurance and Disability Insurance Trust Funds.² Detailed discussion of these economic and demographic parameters is presented in section II.D of that report.³ The key assumptions utilized directly

¹ The two main reasons other than death for termination of SSI payments are failure to satisfy income and resource limitations of the SSI program and recovery from a qualifying disability.

² House Document 106-48, published April 12, 1999.

³ *Ibid*, Section II.D, *Principal Economic and Demographic Assumptions*.

for the projections presented in this report are summarized in the following two tables. Table IV.A1 presents population projections summarized by certain age subgroups that match the presentation of SSI participant projections discussed in the next section.

Table IV.A1.—Historical and Estimated Population in the Social Security Area as Projected for the Intermediate Assumptions of the 1999 OASDI Trustees Report, as of July 1, 1974-2023

[In thousands]

Year	Age groups						Total all ages
	0-17	18-34	35-49	50-64	65-74	75 or older	
Historical data:							
1974	70,714	60,135	36,339	32,809	13,865	8,871	222,734
1975	69,727	62,097	36,322	33,154	14,164	9,102	224,566
1976	68,736	63,985	36,488	33,425	14,480	9,343	226,457
1977	67,830	65,649	36,897	33,694	14,805	9,595	228,470
1978	67,001	67,227	37,479	33,931	15,127	9,860	230,625
1979	66,271	68,859	38,053	34,102	15,437	10,140	232,861
1980	65,746	70,454	38,557	34,245	15,721	10,428	235,151
1981	65,419	71,564	39,518	34,319	15,991	10,721	237,532
1982	65,214	72,167	41,020	34,276	16,278	11,044	239,999
1983	65,165	72,650	42,550	34,151	16,544	11,370	242,430
1984	65,273	72,991	44,011	34,057	16,793	11,680	244,806
1985	65,529	73,211	45,450	33,959	17,082	11,983	247,214
1986	65,851	73,319	47,030	33,757	17,438	12,277	249,672
1987	66,126	73,384	48,708	33,617	17,752	12,587	252,174
1988	66,360	73,483	50,399	33,596	17,998	12,896	254,732
1989	66,812	73,397	52,168	33,588	18,241	13,209	257,416
1990	67,618	72,876	53,968	33,662	18,437	13,567	260,128
1991	68,585	72,063	55,722	33,897	18,595	13,937	262,798
1992	69,555	71,187	57,373	34,330	18,770	14,293	265,508
1993	70,446	70,339	58,942	34,909	18,910	14,625	268,170
1994	71,225	69,522	60,536	35,491	19,000	14,928	270,701
1995	71,874	68,751	62,197	36,028	19,032	15,249	273,130
1996	72,448	68,092	63,619	36,861	18,965	15,607	275,591
1997	72,915	67,560	64,652	38,219	18,851	15,957	278,154
1998	73,228	67,143	65,522	39,783	18,715	16,280	280,670
Estimated:							
1999	73,446	66,862	66,327	41,280	18,593	16,578	283,085
2000	73,606	66,767	66,935	42,773	18,526	16,857	285,463
2001	73,746	66,848	67,291	44,323	18,492	17,107	287,807
2002	73,883	67,040	67,413	45,959	18,478	17,347	290,120
2003	73,967	67,319	67,375	47,644	18,524	17,576	292,405
2004	74,009	67,593	67,270	49,387	18,637	17,772	294,668
2005	74,028	67,808	67,151	51,179	18,808	17,939	296,912
2006	74,002	68,101	66,912	52,976	19,086	18,065	299,142
2007	73,892	68,667	66,393	54,705	19,574	18,133	301,363
2008	73,692	69,521	65,640	56,317	20,250	18,157	303,578
2009	73,468	70,481	64,805	57,927	20,918	18,189	305,788
2010	73,290	71,398	63,958	59,606	21,489	18,253	307,995
2011	73,187	72,218	63,145	61,072	22,248	18,325	310,196
2012	73,155	72,914	62,426	62,105	23,375	18,413	312,388
2013	73,177	73,500	61,831	62,958	24,555	18,546	314,567
2014	73,241	73,964	61,413	63,754	25,644	18,715	316,730
2015	73,343	74,295	61,240	64,355	26,726	18,914	318,872
2016	73,479	74,540	61,291	64,713	27,793	19,174	320,989
2017	73,641	74,723	61,496	64,846	28,813	19,558	323,076
2018	73,823	74,882	61,743	64,827	29,793	20,061	325,128
2019	74,016	75,032	61,938	64,749	30,843	20,562	327,140
2020	74,215	75,126	62,092	64,660	31,999	21,014	329,106
2021	74,411	75,172	62,311	64,460	33,049	21,620	331,022
2022	74,597	75,191	62,723	63,994	33,858	22,519	332,883
2023	74,765	75,159	63,363	63,305	34,608	23,482	334,683

Notes:

1. Historical population data subject to revision.
2. Totals do not necessarily equal the sums of rounded components.

As described in section III.D.1, the monthly Federal benefit rate is adjusted annually in January to reflect changes in the level of consumer prices. The adjustment factor is based on the year-to-year increase in the CPI for the third quarter of the calendar year. This “cost-of-living” adjustment is identical to the adjustment of Social Security benefits under the OASDI program. In previous years, occasional ad hoc increases were also applied to the Federal benefit rates, either in place of or in addition to such automatic adjustments. The history of legislation affecting the Federal benefit rates is presented in table V.A1. Table IV.A2 presents a complete history of the “cost-of-living” adjustment factors

and Federal benefit rates since the inception of the program, along with projections of such amounts consistent with the economic assumptions underlying the SSI expenditure estimates discussed in section IV.C.

Table IV.A2.—Social Security Cost-of-Living Adjustments and Federal Benefit Rates Estimated on the Basis of the Intermediate Assumptions of the 1999 OASDI Trustees Report, 1974-2023

Year	Benefit rate increase ¹	Federal benefit rate		
		Individual	Couple	Essential person ²
Historical data:				
Initial benefit paid				
January 1, 1974 ³	—	\$140.00	\$210.00	\$70.00
1974.....	⁴ 4.3%	146.00	219.00	73.00
1975.....	8.0	157.70	236.60	78.90
1976.....	6.4	167.80	251.80	84.00
1977.....	5.9	177.80	266.70	89.00
1978.....	6.5	189.40	284.10	94.80
1979.....	9.9	208.20	312.30	104.20
1980.....	14.3	238.00	357.00	119.20
1981.....	11.2	264.70	397.00	132.60
1982.....	7.4	284.30	426.40	142.50
1983.....	⁴ 7.0	304.30	456.40	152.50
1984.....	3.5	314.00	472.00	157.00
1985.....	3.5	325.00	488.00	163.00
1986.....	3.1	336.00	504.00	168.00
1987.....	1.3	340.00	510.00	170.00
1988.....	4.2	354.00	532.00	177.00
1989.....	4.0	368.00	553.00	184.00
1990.....	4.7	386.00	579.00	193.00
1991.....	5.4	407.00	610.00	204.00
1992.....	3.7	422.00	633.00	211.00
1993.....	3.0	434.00	652.00	217.00
1994.....	2.6	446.00	669.00	223.00
1995.....	2.8	458.00	687.00	229.00
1996.....	2.6	470.00	705.00	235.00
1997.....	2.9	484.00	726.00	242.00
1998.....	2.1	494.00	741.00	247.00
1999.....	1.3	500.00	751.00	250.00
Estimated:				
2000.....	1.9	510.00	765.00	255.00
2001.....	2.2	521.00	782.00	261.00
2002.....	2.5	534.00	801.00	267.00
2003.....	2.6	548.00	822.00	274.00
2004.....	2.8	563.00	845.00	282.00
2005.....	3.0	580.00	871.00	291.00
2006.....	3.2	599.00	898.00	300.00
2007.....	3.2	618.00	927.00	309.00
2008.....	3.2	638.00	957.00	319.00
2009.....	3.3	659.00	989.00	330.00
2010.....	3.3	681.00	1,021.00	341.00
2011.....	3.3	703.00	1,055.00	352.00
2012.....	3.3	726.00	1,090.00	364.00
2013.....	3.3	750.00	1,126.00	376.00
2014.....	3.3	775.00	1,163.00	388.00
2015.....	3.3	801.00	1,201.00	401.00
2016.....	3.3	827.00	1,241.00	414.00
2017.....	3.3	854.00	1,282.00	428.00
2018.....	3.3	883.00	1,324.00	442.00
2019.....	3.3	912.00	1,368.00	457.00
2020.....	3.3	942.00	1,413.00	472.00
2021.....	3.3	973.00	1,460.00	487.00
2022.....	3.3	1,005.00	1,508.00	503.00
2023.....	3.3	1,038.00	1,558.00	520.00

¹ Increases prior to 1984 were effective for the payment due on July 1 of the year. Increases shown for 1984 and later are effective for the payment due on January 1 of the year.

² A concept carried over from the former State assistance plans. There are currently fewer than 100 of those cases remaining.

³ Benefits paid in January, 1974 were based on the Federal benefit rates established by Public Law 92-603, enacted October 30, 1972: \$130.00 for individuals; \$195.00 for couples; and \$65.00 for essential persons. Retroactive payments were subsequently made to adjust initial payments to the higher Federal benefit rates established by Public Law 93-233, enacted December 31, 1973.

⁴ Ad hoc increases as specified in the law.

Estimates presented in the sections that follow are based on the assumptions described in this section. Furthermore, for purposes of making these estimates, it is assumed that no changes will occur during the projection period in the present statutory provisions and regulations under which the SSI program operates.

B. NUMBERS OF PARTICIPANTS IN THE SSI PROGRAM

In this section, we present our projections of the various subpopulations which lead to the numbers of persons receiving Federal SSI payments. As described above, the forecasting models that produce these projections have been restructured to handle population flows by single-year-of-age. Correspondingly, the tables in this section have been reorganized since the 1998 Annual Report to present these population totals by selected age groupings. This is in contrast with the 1998 Annual Report which presented forecast results exclusively by recipient categories of *aged, blind or disabled adults, and blind or disabled children*. Since these recipient categories are in large part based on age, the additional age breakouts shown in this year's report can be viewed as a refinement of the information presented in the first two SSI Annual Reports. The following paragraphs discuss a few of the subtle points in the translation between the previous recipient categories and current age categories.

- The *aged* category includes those individuals whose eligibility for SSI benefits is established based on meeting the age-65-or-older requirement for assistance, and the income and resource limits applicable for adults. In December 1998, there were 1.332 million aged recipients of Federally-administered SSI payments.
- The *blind or disabled adults* category includes those individuals whose eligibility is established based on meeting the definition of blindness or disability for individuals age 18 or older, and the income and resource limits applicable for adults. After attainment of age 65 these individuals generally continue to be classified as blind or disabled adults (rather than aged). In December 1998, there were 4.306 million blind or disabled adult recipients of Federally-administered SSI payments, including 682 thousand disabled and 19 thousand blind recipients aged 65 or older.
- The *blind or disabled children* category includes those individuals whose initial eligibility is established based on meeting the definition of blindness or disability for individuals under age 18. At age 18 these individuals continue to be eligible for SSI if they meet the definition of blindness or disability for individuals age 18 or older. As a result, blind or disabled children are generally reclassified as blind or disabled adults at age 18. However, students aged 18 to 21 are still classified as blind or disabled children, but only for purposes of applying a special student earned income exclusion.¹ The numbers of students, however, represent a small percentage of the total number of disabled children. For example, in December 1998, there were 928 thousand blind or disabled child recipients of Federally-administered SSI payments, including 41 thousand students aged 18 to 21. Since these students are small in number, and for most purposes treated under the program as disabled adults, most agency management information is moving in the direction of equating disabled children with the age grouping 0 to 17. Beginning with this report, our tables showing historical and projected SSI data will conform to this new standard.

Much of the historical age-specific information presented in the discussion that follows had to be reconstructed using samples of various sizes. Most age-specific splits prior to 1980 have not yet been developed, but will be constructed for future reports. Historical age breakouts may be revised in future reports as more complete data become available. Unless otherwise indicated, the historical calendar year program totals should agree with those shown in previous SSI Annual Reports.

Table IV.B1 presents historical and projected numbers of persons applying for SSI benefits, by calendar year of application. Figure IV.B1 presents this same information in graphical form. Actual numbers of applications received in 1998 were about 5 percent higher than were received in 1997. The actual result for 1998 was about 2 percent lower than estimated for 1998 in the 1998 Annual Report. This slightly more favorable experience is probably largely attributable to better performance of the economy than anticipated at the beginning of 1998, since no legislative or regulatory changes occurred in 1998 that would have had a significant impact on SSI applications. Longer term trends in applications are estimated to continue to grow from current levels roughly in line with overall population growth.

¹ Parent-to-child deeming ends in all cases when an individual turns 18.

Table IV.B1.—SSI Federally-Administered Applications,¹ Calendar Years 1974-2023

[In thousands]

Calendar year	Blind or disabled, by age group						Aged, by age group		Totals		
	0-17	18-34	35-49	50-64	65-74	75 or older	65-74	75 or older	Blind or disabled	Aged	All
Historical data:											
1974...	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)
1975 ³ ...	(4)	(4)	(4)	(4)	(4)	(4)	(4)	(4)	1,075	325	1,400
1976...	(4)	(4)	(4)	(4)	(4)	(4)	(4)	(4)	984	254	1,239
1977...	(4)	(4)	(4)	(4)	(4)	(4)	(4)	(4)	1,040	259	1,298
1978...	(4)	(4)	(4)	(4)	(4)	(4)	(4)	(4)	1,046	258	1,304
1979...	(4)	(4)	(4)	(4)	(4)	(4)	(4)	(4)	1,090	262	1,352
1980...	122	310	272	438	8	1	187	89	1,151	276	1,427
1981...	78	206	173	271	5	(5)	88	42	733	130	864
1982...	88	246	206	278	11	1	93	48	830	141	971
1983...	102	258	225	311	5	1	122	68	902	190	1,092
1984...	103	267	247	321	7	(5)	178	108	944	286	1,230
1985...	114	294	297	409	7	(5)	151	73	1,122	223	1,345
1986...	122	316	334	426	7	1	150	81	1,205	231	1,437
1987...	108	287	299	331	7	1	134	66	1,033	200	1,233
1988...	114	282	301	317	7	1	131	69	1,021	200	1,221
1989...	116	297	323	329	7	(5)	146	76	1,072	222	1,294
1990...	149	335	380	356	6	(5)	156	71	1,226	227	1,454
1991...	237	391	453	391	7	(5)	159	68	1,479	227	1,706
1992...	339	453	522	407	8	(5)	163	64	1,728	226	1,955
1993...	473	506	570	416	7	(5)	158	61	1,973	218	2,191
1994...	517	492	571	402	6	(5)	136	52	1,989	188	2,177
1995...	473	435	524	363	6	(5)	121	44	1,801	165	1,966
1996...	431	393	500	345	9	1	108	44	1,678	153	1,831
1997...	306	317	438	307	8	1	82	35	1,377	117	1,494
1998...	318	317	453	331	9	1	96	39	1,428	136	1,563
Estimated:											
1999...	345	320	475	348	8	(5)	95	37	1,495	132	1,628
2000...	354	320	477	361	7	(5)	94	38	1,520	132	1,652
2001...	359	322	483	377	7	(5)	92	37	1,549	129	1,678
2002...	365	323	483	391	7	(5)	90	37	1,569	126	1,695
2003...	370	322	482	404	7	(5)	89	36	1,585	126	1,710
2004...	374	320	477	416	7	(5)	87	35	1,595	123	1,718
2005...	376	319	475	429	7	(5)	87	35	1,607	122	1,729
2006...	376	319	469	441	7	(5)	87	35	1,613	122	1,734
2007...	378	323	465	454	8	(5)	89	34	1,627	123	1,750
2008...	379	328	460	468	8	(5)	92	34	1,643	126	1,769
2009...	378	333	455	481	8	(5)	94	34	1,655	127	1,782
2010...	378	337	449	495	9	(5)	95	34	1,667	129	1,796
2011...	378	341	443	505	9	(5)	99	34	1,676	133	1,809
2012...	378	344	438	512	10	(5)	105	34	1,682	139	1,821
2013...	379	346	434	519	10	(5)	108	34	1,688	142	1,830
2014...	379	348	431	525	11	(5)	112	34	1,695	146	1,840
2015...	380	349	431	529	11	(5)	116	34	1,700	150	1,850
2016...	381	350	432	530	11	(5)	119	34	1,705	153	1,858
2017...	382	351	433	530	12	(5)	122	35	1,708	157	1,865
2018...	384	352	434	529	12	(5)	126	36	1,711	162	1,873
2019...	385	352	435	528	12	1	131	37	1,713	168	1,881
2020...	386	353	436	527	13	1	135	38	1,715	173	1,888
2021...	387	353	438	524	13	1	139	39	1,715	178	1,894
2022...	387	354	442	518	13	1	142	41	1,715	183	1,898
2023...	388	353	447	512	14	1	146	43	1,715	188	1,903

¹ Based on data reported in the Integrated Workload Management System (formerly known as the District Office Workload Report).

² Consistent data on applications for 1974 (the first year of operation of the program) are not available.

³ Totals estimated using a 1-percent sample.

⁴ Age-specific information for these years not yet available.

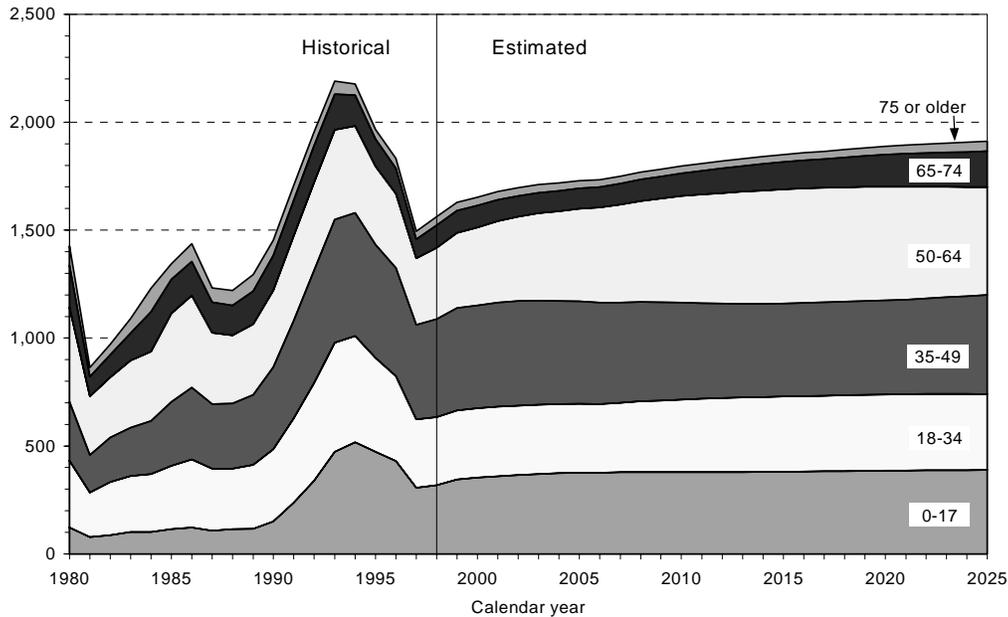
⁵ Fewer than 500.

Notes:

1. Historical split among age groups is estimated.

2. Totals do not necessarily equal the sums of rounded components.

Figure IV.B1.—SSI Federally-Administered Applications by Age Group, Calendar Years 1980-2025
[In thousands]



The adjudication of these applications involves an evaluation of levels of income and resources available to the applicants, as well as other eligibility factors including marital and citizenship status and living arrangements. In addition, in over 90 percent of the cases, an evaluation of an alleged impairment must be done by the appropriate State Disability Determination Service. An unfavorable disability determination may then be appealed by the applicant through several administrative levels of appeal. If all administrative levels of appeal are exhausted, the applicant may in turn carry his/her appeal to the Federal courts. Data on recent historical experience for this disability decision process is presented in section V.C.

Table IV.B2 and figure IV.B2 present historical and projected numbers of persons who are ultimately awarded SSI eligibility as a result of this decision process. In that table and graph, we are essentially counting individuals as being awarded in the first month that they move into SSI payment status. For this reason, we will refer to these individuals as “new entrants” rather than “awards.”¹ The tabulation of historical numbers of such new entrants has been improved since the 1998 report due to the availability of additional administrative data. In particular, certain new entrants who had been missed in previous tabulations due to the lack of sufficient detail in those earlier data sources are now being counted. Consequently, historical figures shown in table IV.B2 are slightly higher than the corresponding totals shown in the 1998 Annual Report. As anticipated in the 1998 Annual Report, the numbers of new entrants into SSI payment status increased in 1998 following a period of decline ending in 1997.

¹ In addition, these counts differ slightly from other similar totals identified as “awards” and published by the Office of Research, Evaluation, and Statistics (ORES) in the *Annual Statistical Supplement to the Social Security Bulletin*. The ORES totals are similar in concept to ours, but differ slightly due to timing of the action being tabulated. For example, ORES does not count a disability benefit as being awarded until the disability decision is made. Under our procedure, individuals first coming on the SSI rolls through a finding of presumptive disability would be counted as a “new entrant” in the first month of presumptive disability payment. In contrast, ORES would not count this person as an award until a final disability allowance decision had been rendered.

Table IV.B2.—SSI Federally-Administered New Entrants, Calendar Years 1974-2023

[In thousands]

Calendar year ¹	Blind or disabled, by age group						Aged, by age group		Totals ²		
	0-17	18-34	35-49	50-64	65-74	75 or older	65-74	75 or older	Blind or disabled	Aged	All
Historical data:											
1974 ³	(4)	(4)	(4)	(4)	(4)	(4)	(4)	(4)	1,919	2,479	4,398
1975...	(4)	(4)	(4)	(4)	(4)	(4)	(4)	(4)	584	347	931
1976...	(4)	(4)	(4)	(4)	(4)	(4)	(4)	(4)	452	218	669
1977...	(4)	(4)	(4)	(4)	(4)	(4)	(4)	(4)	429	209	637
1978...	(4)	(4)	(4)	(4)	(4)	(4)	(4)	(4)	370	193	563
1979...	(4)	(4)	(4)	(4)	(4)	(4)	(4)	(4)	330	169	499
1980...	41	92	61	142	4	(5)	125	59	341	184	524
1981...	37	77	49	106	3	(5)	80	37	272	117	389
1982...	38	63	51	90	4	(5)	72	31	245	103	348
1983...	47	88	62	117	3	(5)	95	51	317	146	463
1984...	47	109	78	142	4	(5)	131	78	380	209	589
1985...	48	104	80	148	4	(5)	106	46	384	152	536
1986...	55	127	109	153	5	(5)	110	51	449	161	610
1987...	48	119	106	157	5	(5)	116	52	435	167	602
1988...	50	101	108	146	5	1	112	56	412	167	579
1989...	48	113	115	155	5	(5)	127	62	436	189	625
1990...	76	136	134	182	5	(5)	149	66	533	215	748
1991...	126	146	172	200	6	(5)	139	54	650	193	844
1992...	221	199	221	233	6	(5)	133	48	881	181	1,062
1993...	235	194	221	225	6	(5)	136	49	881	185	1,066
1994...	204	164	207	215	6	(5)	116	42	796	157	953
1995...	177	147	207	218	5	(5)	105	36	755	141	895
1996...	145	134	193	203	6	1	93	35	681	128	809
1997...	116	111	171	178	4	(5)	68	25	580	93	673
1998...	135	117	181	194	7	1	78	30	634	108	742
Estimated:											
1999...	137	113	181	197	5	(5)	74	30	634	104	738
2000...	133	111	177	199	5	(5)	73	30	624	103	727
2001...	131	109	177	204	4	(5)	71	29	626	100	726
2002...	132	108	175	210	4	(5)	70	29	631	98	729
2003...	135	107	173	216	5	(5)	69	29	635	98	733
2004...	137	106	170	220	5	(5)	68	28	638	96	734
2005...	138	105	168	226	5	(5)	68	28	642	96	737
2006...	138	104	166	231	5	(5)	68	27	643	95	739
2007...	139	105	163	237	5	(5)	69	27	649	96	744
2008...	139	106	161	243	5	(5)	71	27	655	98	753
2009...	139	107	159	249	5	(5)	73	26	660	99	759
2010...	138	108	156	256	5	(5)	74	26	664	101	765
2011...	138	109	154	261	6	(5)	77	26	668	103	771
2012...	138	110	152	264	6	(5)	80	26	671	106	777
2013...	138	110	150	268	6	(5)	83	26	673	109	783
2014...	138	111	149	271	7	(5)	86	26	676	113	789
2015...	138	111	148	273	7	(5)	90	26	678	116	794
2016...	139	111	149	274	7	(5)	92	27	680	119	800
2017...	139	111	149	275	7	(5)	95	28	682	123	805
2018...	139	112	149	275	7	(5)	98	28	683	127	810
2019...	140	112	150	275	8	(5)	101	29	685	130	815
2020...	140	112	150	275	8	(5)	105	30	685	135	820
2021...	140	113	151	273	8	(5)	108	31	686	139	825
2022...	141	113	153	271	8	(5)	111	32	686	143	829
2023...	141	113	155	268	9	(5)	114	34	686	147	833

¹ Represents period in which first payment was made, not date of first eligibility for payments.

² Historical totals estimated based on 1-percent or 10-percent sample data.

³ Totals for 1974 include recipients converted from previous State programs as well as new entrants to the SSI program during 1974.

⁴ Age-specific information for these years not yet available.

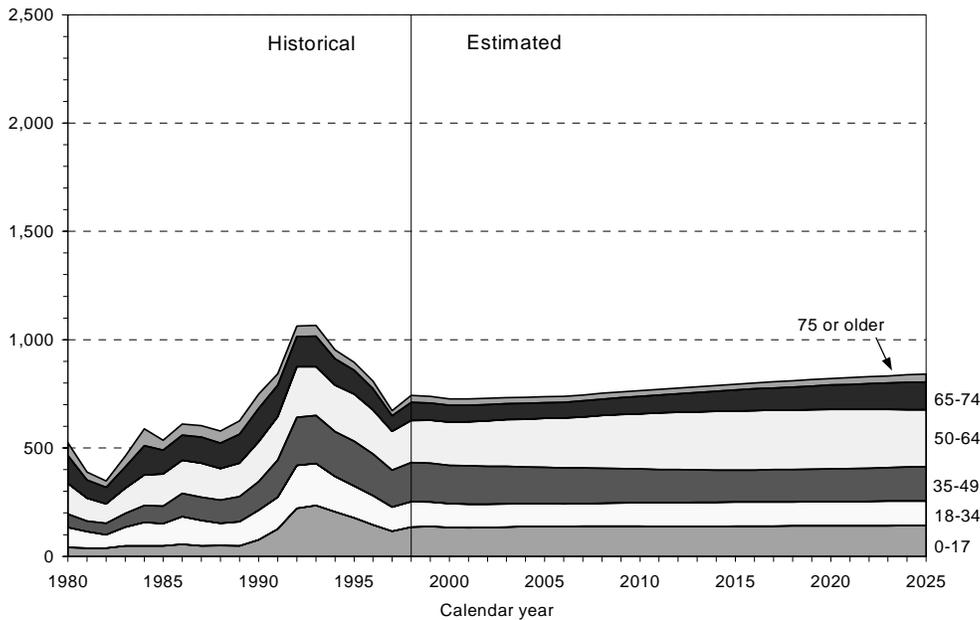
⁵ Fewer than 500.

Notes:

1. Historical split among age groups is estimated.

2. Totals do not necessarily equal the sums of rounded components.

Figure IV.B2.—SSI Federally-Administered New Entrants by Age Group, Calendar Years 1980-2025
[In thousands]



Some of the persons receiving SSI benefits in a year will be removed from current-payment status during the year because of death or the loss of SSI eligibility. The loss of eligibility can occur either as the result of an evaluation of the individual's nonmedical factors of eligibility, including income and resources, or due to a determination that he/she is no longer disabled as defined under the Social Security Act. For example, disabled children, upon attainment of age 18, lose eligibility if they do not qualify for benefits under the disabled adult eligibility criteria. For purposes of this presentation, we refer to the net reduction in the number of SSI recipients in payment status during a period as the number of SSI terminations for that period. As discussed previously, beginning with the 1999 Annual Report, we have separated these numbers of people moving out of payment status into those leaving due to death (table IV.B3), and those leaving for all other reasons (table IV.B4). Table IV.B5 and figure IV.B3 present historical and projected numbers of total terminations by calendar year. Actual experience for terminations in 1998 was roughly in line with that anticipated in the 1998 Annual Report.

Some historical details on income and resource redeterminations and the results of continuing disability reviews are presented in section V.D. Section V.E presents information on certain incentive programs intended to encourage disabled SSI recipients to return to work.

Table IV.B3.—SSI Federally-Administered Terminations Due to Death, Calendar Years 1974-2023
[In thousands]

Calendar year	Blind or disabled, by age group					Aged, by age group			Totals ¹		
	0-17	18-34	35-49	50-64	65-74	75 or older	65-74	75 or older	Blind or disabled	Aged	All
Historical data:											
1974...	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)
1975...	(3)	(3)	(3)	(3)	(3)	(3)	(3)	(3)	65	147	212
1976...	(3)	(3)	(3)	(3)	(3)	(3)	(3)	(3)	64	137	201
1977...	(3)	(3)	(3)	(3)	(3)	(3)	(3)	(3)	65	137	203
1978...	(3)	(3)	(3)	(3)	(3)	(3)	(3)	(3)	67	126	193
1979...	(3)	(3)	(3)	(3)	(3)	(3)	(3)	(3)	67	121	189
1980...	3	5	9	31	22	1	27	100	71	127	198
1981...	3	5	8	31	24	2	21	92	73	112	186
1982...	3	4	8	28	21	2	16	80	65	96	161
1983...	3	6	8	25	21	3	15	79	65	94	158
1984...	3	4	9	29	18	5	13	83	67	96	163
1985...	2	6	10	29	24	6	17	84	77	101	178
1986...	2	8	12	28	22	8	15	83	80	98	178
1987...	3	8	13	30	23	10	15	82	87	97	184
1988...	5	8	14	31	25	12	16	81	95	97	191
1989...	3	8	16	33	23	12	15	78	95	93	187
1990...	4	9	18	36	22	14	16	75	103	92	194
1991...	4	9	20	39	23	17	17	74	112	91	203
1992...	4	11	22	38	22	15	16	69	111	84	195
1993...	6	13	27	41	23	17	16	72	127	88	215
1994...	6	14	27	41	23	17	16	69	127	85	212
1995...	6	13	30	43	24	18	16	65	135	81	216
1996...	7	12	30	44	24	18	16	67	135	83	218
1997...	5	10	24	43	24	19	15	64	127	79	206
1998...	5	9	24	43	25	20	14	64	127	78	205
Estimated:											
1999...	5	9	25	45	25	21	13	63	130	75	206
2000...	5	9	26	46	25	21	12	62	132	74	206
2001...	5	9	26	47	26	21	12	62	134	73	207
2002...	5	9	26	48	27	21	11	62	135	73	208
2003...	5	9	26	49	27	21	11	61	137	72	209
2004...	5	9	25	51	27	22	10	61	139	72	210
2005...	5	9	25	52	28	22	10	61	141	71	212
2006...	5	9	25	53	28	22	9	61	142	71	213
2007...	5	9	24	54	29	22	9	61	144	70	214
2008...	5	9	24	56	30	23	9	61	145	70	215
2009...	5	9	23	57	30	23	9	61	147	70	216
2010...	5	9	23	58	30	23	9	61	148	70	218
2011...	6	9	22	59	31	23	9	60	150	70	219
2012...	6	9	21	60	32	24	10	60	152	69	221
2013...	6	9	21	60	33	24	10	59	153	69	222
2014...	6	9	21	61	34	24	10	59	154	69	223
2015...	6	9	20	61	35	25	11	58	156	69	225
2016...	6	9	20	61	36	25	11	58	157	69	226
2017...	6	9	20	61	37	26	11	57	159	69	228
2018...	6	10	20	61	38	26	12	57	160	69	229
2019...	6	10	20	61	39	26	12	56	162	68	230
2020...	6	10	20	61	40	27	13	56	163	68	231
2021...	6	10	20	61	41	27	13	56	164	69	232
2022...	6	10	20	60	41	28	13	56	165	69	234
2023...	6	10	20	59	42	29	14	56	166	70	236

¹ Historical totals estimated based on 1-percent or 10-percent sample data.

² Data not available.

³ Age-specific information for these years not yet available.

Notes:

1. Historical split among age groups is estimated.

2. Totals do not necessarily equal the sums of rounded components.

Table IV.B4.—SSI Federally-Administered Terminations Due to Reasons Other Than Death, Calendar Years 1974-2023
[In thousands]

Calendar year	Blind or disabled, by age group					Aged, by age group			Totals ¹		
	0-17	18-34	35-49	50-64	65-74	75 or older	65-74	75 or older	Blind or disabled	Aged	All
Historical data:											
1974 ...	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)
1975 ...	(3)	(3)	(3)	(3)	(3)	(3)	(3)	(3)	221	180	401
1976 ...	(3)	(3)	(3)	(3)	(3)	(3)	(3)	(3)	306	240	546
1977 ...	(3)	(3)	(3)	(3)	(3)	(3)	(3)	(3)	265	168	433
1978 ...	(3)	(3)	(3)	(3)	(3)	(3)	(3)	(3)	241	150	391
1979 ...	(3)	(3)	(3)	(3)	(3)	(3)	(3)	(3)	234	144	378
1980 ...	19	48	43	80	23	1	44	77	214	121	334
1981 ...	17	43	39	72	21	1	49	86	192	134	326
1982 ...	19	48	43	79	23	1	50	87	212	137	348
1983 ...	18	43	36	63	14	1	25	61	175	86	261
1984 ...	13	51	37	77	21	1	37	60	200	98	298
1985 ...	11	42	37	68	13	2	23	54	172	77	249
1986 ...	18	49	47	73	16	3	34	60	206	94	300
1987 ...	19	51	48	75	17	3	32	57	214	89	302
1988 ...	19	52	51	74	15	5	33	59	216	93	309
1989 ...	19	55	52	72	16	4	33	58	218	91	308
1990 ...	14	52	57	73	17	8	40	68	221	108	330
1991 ...	20	50	70	84	18	5	33	58	248	91	339
1992 ...	39	68	94	103	19	8	34	56	329	90	419
1993 ...	34	73	97	106	22	8	37	55	340	92	433
1994 ...	41	73	101	107	18	8	32	49	348	81	429
1995 ...	47	81	111	115	20	7	32	48	382	80	461
1996 ...	47	89	128	119	21	8	29	49	413	78	491
1997 ...	128	105	147	115	18	8	24	40	522	64	586
1998 ...	67	89	112	110	19	8	22	38	406	61	466
Estimated:											
1999 ...	65	92	117	116	20	10	15	36	420	51	471
2000 ...	51	99	128	127	22	10	18	37	436	54	491
2001 ...	48	100	129	131	22	10	17	37	440	54	494
2002 ...	49	99	128	134	22	10	15	35	442	50	492
2003 ...	48	99	127	137	22	10	14	35	444	49	493
2004 ...	47	100	127	143	23	10	13	33	450	46	496
2005 ...	45	101	126	148	23	10	12	31	453	43	496
2006 ...	44	102	125	153	24	10	11	31	458	42	500
2007 ...	43	104	123	157	25	11	11	30	462	41	503
2008 ...	41	106	121	161	25	11	11	29	466	39	505
2009 ...	39	109	119	165	26	11	10	28	468	38	506
2010 ...	39	110	116	169	26	11	10	27	472	37	509
2011 ...	40	112	114	172	27	11	11	28	476	39	514
2012 ...	40	113	112	174	28	11	11	27	479	39	517
2013 ...	40	114	110	176	29	12	12	27	480	38	519
2014 ...	40	115	109	177	30	12	12	26	482	38	521
2015 ...	40	116	108	178	31	12	13	26	484	39	523
2016 ...	39	118	107	178	32	12	14	27	486	41	527
2017 ...	39	119	107	178	33	12	14	28	489	42	530
2018 ...	39	120	107	178	33	12	15	29	491	45	536
2019 ...	39	122	107	178	34	13	16	30	493	46	539
2020 ...	39	123	108	178	36	13	17	30	496	48	544
2021 ...	39	124	108	178	36	13	18	30	498	48	546
2022 ...	39	125	109	176	37	14	18	30	500	48	549
2023 ...	38	126	110	174	38	14	20	33	501	53	554

¹ Historical totals estimated based on 1-percent or 10-percent sample data.

² Data not available.

³ Age-specific information for these years not yet available.

Notes:

1. Historical split among age groups is estimated.
2. Totals do not necessarily equal the sums of rounded components.

Table IV.B5.—SSI Federally-Administered Terminations for All Reasons, Calendar Years 1974-2023
[In thousands]

Calendar year	Blind or disabled, by age group					Aged, by age group			Totals ¹		
	0-17	18-34	35-49	50-64	65-74	75 or older	65-74	75 or older	Blind or disabled	Aged	All
Historical data:											
1974 ...	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)
1975 ...	(3)	(3)	(3)	(3)	(3)	(3)	(3)	(3)	287	326	613
1976 ...	(3)	(3)	(3)	(3)	(3)	(3)	(3)	(3)	371	377	748
1977 ...	(3)	(3)	(3)	(3)	(3)	(3)	(3)	(3)	330	305	636
1978 ...	(3)	(3)	(3)	(3)	(3)	(3)	(3)	(3)	308	276	584
1979 ...	(3)	(3)	(3)	(3)	(3)	(3)	(3)	(3)	301	265	566
1980 ...	22	53	52	111	45	2	70	177	284	248	532
1981 ...	20	48	47	103	45	3	69	177	266	246	512
1982 ...	21	52	51	107	43	2	65	168	277	233	510
1983 ...	21	49	44	87	34	4	39	140	240	180	419
1984 ...	16	55	46	106	39	6	50	144	267	194	461
1985 ...	13	47	47	97	37	8	40	138	249	178	427
1986 ...	21	58	59	101	38	11	48	143	287	192	478
1987 ...	22	59	61	106	40	13	47	138	301	185	486
1988 ...	24	60	65	105	39	18	49	140	311	189	500
1989 ...	22	63	69	105	39	15	47	136	312	183	496
1990 ...	18	61	75	109	39	22	56	144	324	200	524
1991 ...	25	60	90	123	40	22	50	132	360	182	542
1992 ...	42	78	115	140	41	23	50	125	440	175	614
1993 ...	40	86	124	148	45	24	54	127	467	181	648
1994 ...	47	87	128	148	41	24	48	118	475	166	642
1995 ...	54	94	142	158	44	25	47	113	517	160	677
1996 ...	54	101	158	163	45	27	45	116	548	161	710
1997 ...	133	116	172	159	43	26	39	105	648	143	792
1998 ...	73	98	136	153	44	29	36	102	533	138	671
Estimated:											
1999 ...	70	101	142	161	45	30	28	98	550	126	676
2000 ...	56	108	153	173	47	31	30	99	568	129	697
2001 ...	53	109	155	178	48	31	29	99	573	127	701
2002 ...	54	108	154	182	49	31	26	97	577	123	700
2003 ...	53	108	152	187	49	31	25	96	581	121	702
2004 ...	52	109	153	194	50	32	23	94	589	118	706
2005 ...	50	110	151	200	51	32	22	93	594	114	708
2006 ...	49	111	150	206	52	33	21	92	600	113	713
2007 ...	48	113	147	211	54	33	20	91	606	111	717
2008 ...	47	115	144	217	55	33	19	90	611	109	720
2009 ...	45	117	142	222	56	34	19	88	615	108	723
2010 ...	45	119	138	227	56	34	19	87	620	107	727
2011 ...	45	120	136	231	58	35	20	88	625	108	734
2012 ...	45	122	134	234	60	35	21	87	630	108	738
2013 ...	46	123	131	236	62	36	21	86	633	108	741
2014 ...	45	124	129	238	64	36	22	85	637	107	744
2015 ...	45	126	128	239	66	37	23	85	640	108	748
2016 ...	45	128	127	240	67	37	25	85	644	109	753
2017 ...	45	129	127	240	69	38	26	85	648	110	758
2018 ...	45	130	127	240	71	38	27	86	651	113	765
2019 ...	45	131	127	239	73	39	28	86	655	114	769
2020 ...	45	133	127	239	75	39	30	86	659	116	775
2021 ...	45	134	128	238	77	40	31	86	662	116	778
2022 ...	44	135	129	236	79	42	31	86	665	118	783
2023 ...	44	136	131	233	80	43	33	89	667	122	790

¹ Historical totals estimated based on 1-percent or 10-percent sample data.

² Data not available.

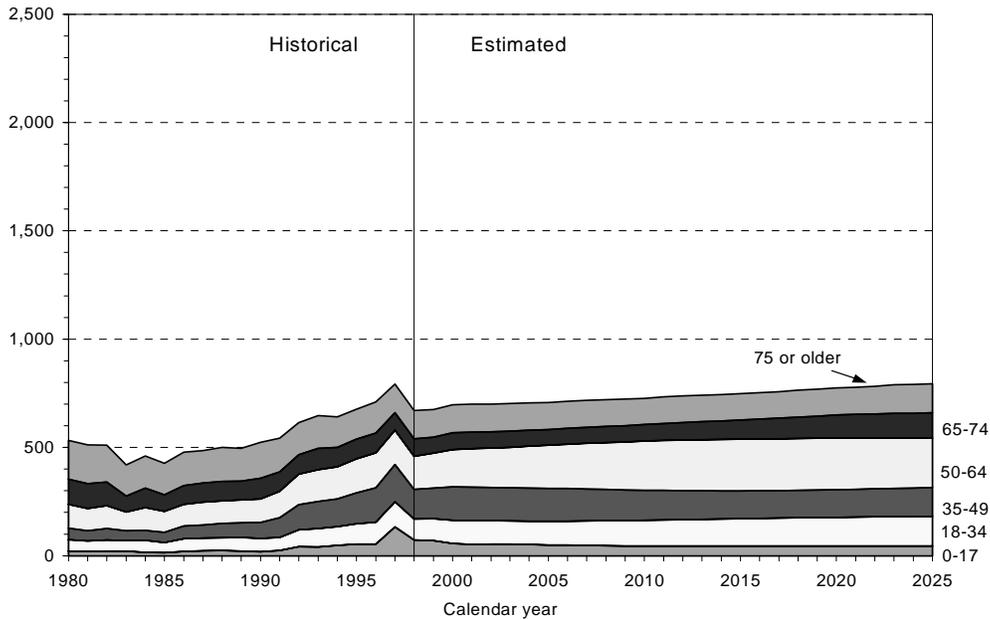
³ Age-specific information for these years not yet available.

Notes:

1. Historical split among age groups is estimated.

2. Totals do not necessarily equal the sums of rounded components.

Figure IV.B3.—SSI Federally-Administered Terminations by Age Group, Calendar Years 1980-2025
[In thousands]



Combining the number of persons coming on the SSI payment rolls during a year with the number of those already receiving benefits at the beginning of the year, and subtracting the number leaving the rolls during the year, yields the number of persons receiving Federally-administered SSI payments at the end of the specified period. Individuals receiving Federal SSI payments, who comprise the great majority of Federally-administered recipients, are presented in table IV.B6 and in figure IV.B4. The net effect of actual experience in 1998 was that there were roughly 1/2 percent more Federal SSI recipients at the end of 1998 than estimated for the 1998 Annual Report.

Table IV.B6.—SSI Recipients with Federal Benefits in Current-Payment Status as of December, 1974-2023
[In thousands]

Year	Blind or disabled, by age group					Aged, by age group		Totals		
	0-17	18-34	35-49	50-64	65-74	75 or older	75 or older	Blind or disabled	Aged	
Historical data:										
1974...	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)
1975...	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	1,869	2,025
1976...	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	1,932	1,867
1977...	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	2,013	1,765
1978...	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	2,069	1,686
1979...	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	2,094	1,593
1980...	188	500	351	750	342	17	609	925	2,149	1,533
1981...	194	514	349	720	366	17	541	888	2,160	1,430
1982...	191	517	346	683	386	21	459	871	2,144	1,329
1983...	198	555	366	692	412	28	449	890	2,250	1,339
1984...	210	595	393	700	406	48	463	884	2,352	1,347
1985...	226	634	426	717	402	72	462	860	2,477	1,322
1986...	240	688	475	739	397	91	465	827	2,630	1,291
1987...	249	717	524	756	392	113	464	804	2,751	1,268
1988...	254	738	564	774	387	127	468	777	2,844	1,245
1989...	263	757	613	799	382	145	488	760	2,959	1,247
1990...	306	788	677	840	389	156	508	749	3,156	1,257
1991...	395	833	769	897	390	166	542	736	3,451	1,279
1992...	555	920	877	970	402	173	577	727	3,898	1,304
1993...	721	990	979	1,034	410	179	604	720	4,312	1,324
1994...	839	1,032	1,071	1,089	425	182	610	716	4,638	1,326
1995...	915	1,058	1,150	1,134	435	188	601	713	4,880	1,315
1996...	954	1,066	1,198	1,176	444	192	586	711	5,029	1,296
1997...	878	1,039	1,196	1,198	457	193	547	704	4,960	1,251
1998...	885	1,038	1,238	1,243	464	197	521	705	5,063	1,226

Table IV.B6.—SSI Recipients with Federal Benefits in Current-Payment Status as of December, 1974-2023 (Cont.)

[In thousands]

Year	Blind or disabled, by age group					Aged, by age group			Totals		
	0-17	18-34	35-49	50-64	65-74	75 or older	65-74	75 or older	Blind or disabled	Aged	All
Estimated:											
1999...	896	1,028	1,272	1,281	479	196	500	704	5,152	1,204	6,356
2000...	915	1,013	1,286	1,310	489	198	473	706	5,211	1,179	6,390
2001...	937	1,001	1,290	1,341	500	197	446	708	5,265	1,154	6,419
2002...	958	993	1,285	1,373	510	199	423	708	5,319	1,132	6,450
2003...	976	990	1,277	1,407	520	202	404	706	5,374	1,111	6,484
2004...	998	984	1,265	1,445	527	205	389	703	5,424	1,091	6,515
2005...	1,019	980	1,249	1,483	533	209	373	701	5,473	1,074	6,547
2006...	1,037	980	1,228	1,520	541	210	362	696	5,517	1,059	6,575
2007...	1,054	986	1,202	1,552	553	213	353	691	5,560	1,045	6,605
2008...	1,070	996	1,176	1,584	566	214	348	685	5,606	1,033	6,639
2009...	1,084	1,008	1,149	1,619	575	217	353	672	5,652	1,025	6,677
2010...	1,098	1,018	1,123	1,657	580	220	359	661	5,697	1,020	6,716
2011...	1,111	1,028	1,101	1,681	597	223	367	647	5,740	1,014	6,754
2012...	1,122	1,037	1,080	1,695	620	227	377	635	5,782	1,012	6,794
2013...	1,132	1,047	1,062	1,713	638	231	388	624	5,823	1,013	6,836
2014...	1,141	1,058	1,046	1,727	657	233	402	615	5,863	1,017	6,880
2015...	1,146	1,071	1,037	1,737	675	236	417	606	5,902	1,024	6,925
2016...	1,149	1,085	1,032	1,742	693	239	432	600	5,939	1,032	6,971
2017...	1,156	1,094	1,030	1,741	710	244	444	598	5,974	1,042	7,016
2018...	1,163	1,103	1,027	1,737	728	249	456	596	6,007	1,053	7,060
2019...	1,170	1,112	1,024	1,731	748	252	472	594	6,038	1,066	7,104
2020...	1,177	1,120	1,021	1,724	770	254	490	591	6,066	1,081	7,147
2021...	1,183	1,127	1,021	1,712	787	261	502	598	6,091	1,100	7,191
2022...	1,189	1,133	1,027	1,692	801	271	511	611	6,113	1,122	7,235
2023...	1,195	1,137	1,037	1,669	816	279	522	621	6,133	1,143	7,276

¹ Data not available.

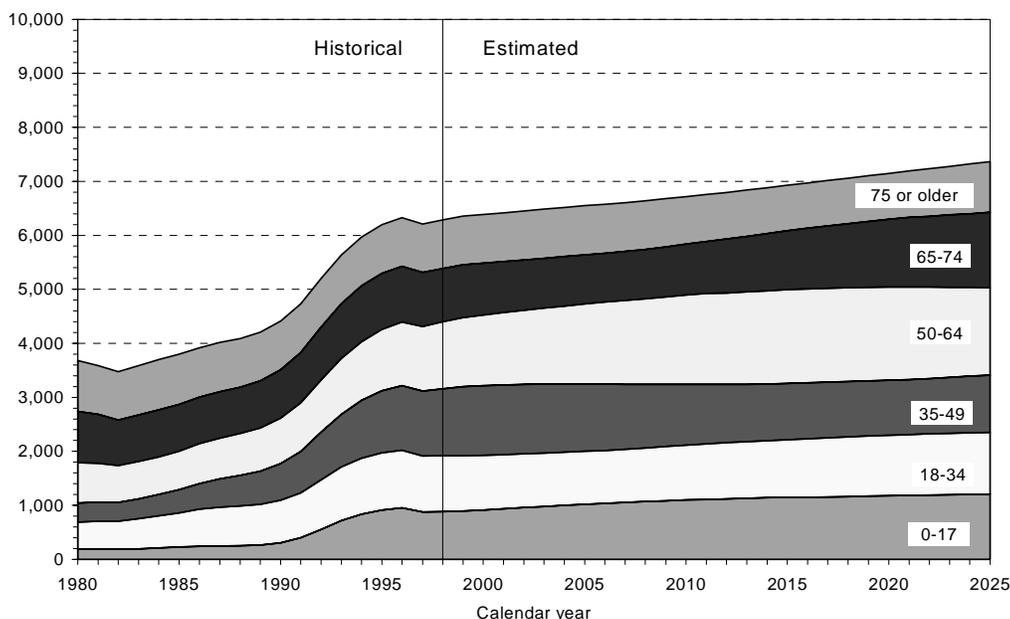
² Age-specific information for these years not yet available.

Notes:

1. Historical split among age groups is estimated.
2. Totals do not necessarily equal the sums of rounded components.

Figure IV.B4.—SSI Recipients with Federal Benefits in Current-Payment Status, by Age Group, as of December, 1980-2025

[In thousands]



As illustrated in figure IV.B4, the implementation of Public Law 104-121 and Public Law 104-193 resulted in a decline in the Federal recipient population from 1996 to 1997. Beginning in 1998, the Federal SSI recipient population resumed growing and is expected to continue growing at a modest rate, attaining its 1996 level later in 1999. In order to place this projected growth in the context of overall population growth, table IV.B7 and figure IV.B5 present Federal SSI recipients as percentages of selected Social Security Area population totals. For the totals shown in this presentation, the percentages are calculated using the population age group totals corresponding to the age groups in the Federal recipient categories. Because the ratios for the separate recipient categories are computed as percentages of differing base populations, the percentage for the total SSI recipient population is not the arithmetic sum of the percentages for the respective recipient categories.

Table IV.B7.—SSI Recipients with Federal Benefits in Current-Payment Status as a Percentage of Selected Social Security Area Population Totals, as of December, 1975-2023

Year	Blind or disabled, by age group					Aged, by age group			Totals		
	0-17	18-34	35-49	50-64	65-74	75 or older	65-74	75 or older	Blind or disabled ¹	Aged ²	All ³
Historical data:											
1975...	(4)	(4)	(4)	(4)	(4)	(4)	(4)	(4)	0.83	8.62	1.73
1976...	(4)	(4)	(4)	(4)	(4)	(4)	(4)	(4)	.85	7.76	1.67
1977...	(4)	(4)	(4)	(4)	(4)	(4)	(4)	(4)	.88	7.16	1.65
1978...	(4)	(4)	(4)	(4)	(4)	(4)	(4)	(4)	.89	6.68	1.62
1979...	(4)	(4)	(4)	(4)	(4)	(4)	(4)	(4)	.90	6.17	1.58
1980...	0.29	0.70	0.91	2.19	2.16	0.17	3.84	8.78	.91	5.82	1.56
1981...	.30	.72	.87	2.10	2.27	.16	3.36	8.20	.91	5.31	1.50
1982...	.29	.71	.83	1.99	2.35	.19	2.80	7.79	.89	4.82	1.44
1983...	.30	.76	.85	2.03	2.47	.24	2.70	7.75	.92	4.76	1.47
1984...	.32	.81	.88	2.06	2.40	.40	2.74	7.49	.96	4.69	1.50
1985...	.34	.87	.92	2.11	2.33	.59	2.68	7.11	1.00	4.51	1.53
1986...	.36	.94	1.00	2.20	2.26	.74	2.64	6.67	1.05	4.31	1.56
1987...	.38	.98	1.06	2.25	2.20	.89	2.60	6.33	1.09	4.15	1.59
1988...	.38	1.00	1.10	2.30	2.14	.98	2.59	5.97	1.11	4.00	1.60
1989...	.39	1.03	1.16	2.38	2.08	1.08	2.66	5.70	1.14	3.94	1.63
1990...	.45	1.09	1.24	2.49	2.10	1.13	2.74	5.46	1.21	3.90	1.69
1991...	.57	1.16	1.36	2.63	2.09	1.18	2.90	5.23	1.31	3.91	1.79
1992...	.79	1.30	1.51	2.81	2.13	1.20	3.06	5.04	1.46	3.92	1.95
1993...	1.02	1.41	1.64	2.94	2.16	1.21	3.19	4.88	1.60	3.93	2.09
1994...	1.17	1.49	1.75	3.05	2.23	1.21	3.20	4.76	1.71	3.89	2.20
1995...	1.27	1.55	1.83	3.13	2.29	1.22	3.16	4.64	1.78	3.82	2.26
1996...	1.31	1.57	1.87	3.15	2.34	1.22	3.09	4.52	1.82	3.74	2.29
1997...	1.20	1.54	1.84	3.08	2.43	1.20	2.91	4.38	1.78	3.59	2.22
1998...	1.21	1.55	1.88	3.08	2.48	1.20	2.79	4.30	1.80	3.50	2.23
Estimated:											
1999...	1.22	1.54	1.91	3.06	2.58	1.18	2.70	4.22	1.81	3.42	2.24
2000...	1.24	1.52	1.92	3.02	2.64	1.17	2.55	4.16	1.82	3.32	2.23
2001...	1.27	1.50	1.91	2.98	2.70	1.15	2.41	4.12	1.82	3.23	2.22
2002...	1.30	1.48	1.91	2.94	2.76	1.14	2.29	4.06	1.83	3.15	2.22
2003...	1.32	1.47	1.90	2.91	2.80	1.15	2.18	4.00	1.83	3.07	2.21
2004...	1.35	1.45	1.88	2.88	2.82	1.15	2.08	3.94	1.83	2.99	2.20
2005...	1.38	1.44	1.86	2.86	2.82	1.16	1.97	3.90	1.84	2.91	2.20
2006...	1.40	1.44	1.84	2.83	2.81	1.16	1.88	3.85	1.84	2.84	2.19
2007...	1.43	1.43	1.82	2.80	2.79	1.17	1.78	3.81	1.84	2.75	2.18
2008...	1.45	1.42	1.80	2.78	2.76	1.18	1.69	3.78	1.84	2.67	2.18
2009...	1.48	1.42	1.78	2.76	2.71	1.19	1.67	3.69	1.84	2.60	2.18
2010...	1.50	1.42	1.77	2.75	2.67	1.21	1.65	3.61	1.84	2.55	2.17
2011...	1.52	1.42	1.75	2.73	2.63	1.22	1.62	3.53	1.85	2.47	2.17
2012...	1.53	1.42	1.74	2.71	2.59	1.23	1.58	3.44	1.85	2.39	2.17
2013...	1.55	1.42	1.72	2.70	2.55	1.24	1.55	3.36	1.85	2.32	2.17
2014...	1.56	1.43	1.71	2.70	2.52	1.24	1.54	3.27	1.85	2.27	2.17
2015...	1.56	1.44	1.69	2.69	2.48	1.24	1.54	3.19	1.85	2.22	2.17
2016...	1.56	1.45	1.68	2.69	2.45	1.24	1.53	3.11	1.85	2.17	2.17
2017...	1.57	1.46	1.67	2.68	2.43	1.24	1.52	3.03	1.84	2.13	2.17
2018...	1.57	1.47	1.66	2.68	2.41	1.23	1.51	2.94	1.84	2.09	2.17
2019...	1.58	1.48	1.65	2.67	2.39	1.22	1.51	2.86	1.84	2.05	2.17
2020...	1.58	1.49	1.64	2.67	2.37	1.20	1.51	2.79	1.84	2.01	2.17
2021...	1.59	1.50	1.63	2.66	2.35	1.19	1.50	2.73	1.84	1.99	2.17
2022...	1.59	1.51	1.63	2.65	2.35	1.18	1.49	2.67	1.83	1.97	2.17
2023...	1.60	1.51	1.63	2.65	2.33	1.17	1.49	2.61	1.83	1.94	2.17

¹ Blind or disabled recipients as a percentage of the total Social Security Area population.

² Aged recipients as a percentage of the 65 or older Social Security Area population.

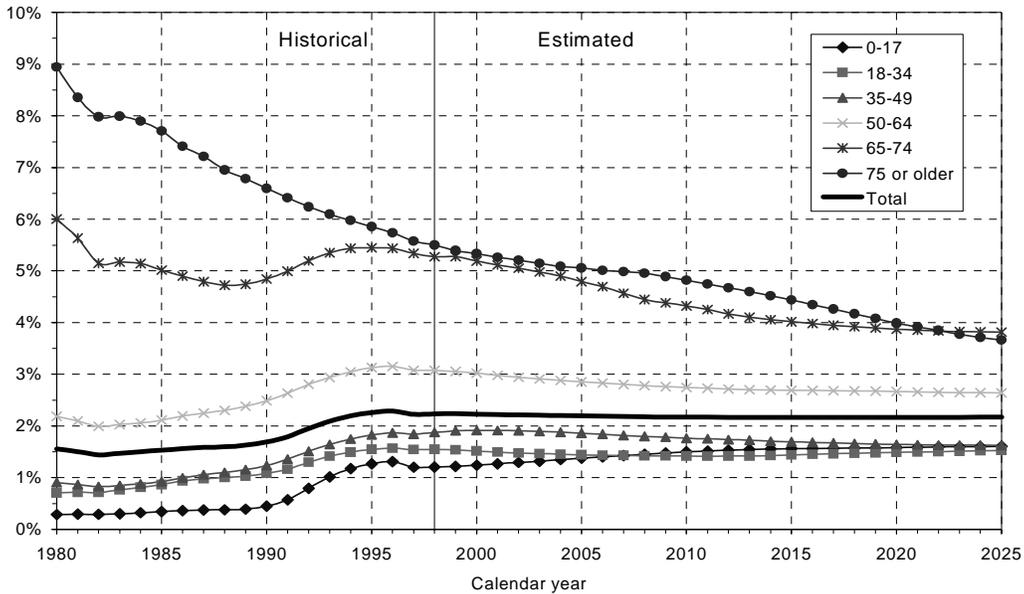
³ Total recipients as a percentage of the total Social Security Area population. Totals do not equal sums of components due to overlapping populations.

⁴ Age-specific information for these years not yet available.

Table IV.B7 indicates that the number of persons receiving Federal SSI payments declined as a percentage of the total Social Security Area population from the inception of the program through the early 1980s. In 1983, the number of Federal SSI recipients started increasing as a percentage of the total population, and continued to increase through 1996. The number of Federal SSI recipients as a percentage of the total population declined in 1997 due to factors described previously, but is expected to remain fairly constant as a percentage of the total population throughout the remainder of the projection period.

The various subcategories of Federal SSI recipients, however, follow significantly different growth patterns in relationship to their respective population totals. The aged Federal SSI recipient population declines steadily as a percentage of the 65 or older population. In contrast, except for the drop due to the eligibility redeterminations in 1997 mandated by Public Law 104-193, the number of blind or disabled children receiving Federal SSI payments increases steadily as a percentage of the under age 18 population, with the increase being quite steep in the early 1990s. The total blind or disabled Federal SSI recipient population as a percentage of the total population remained fairly level until the early 1980s when it started increasing and continued to increase through 1996. After the modest drop in 1997 due to the implementation of legislation described in other sections the number of blind or disabled persons receiving Federal SSI payments is estimated to remain fairly level as a percentage of the total population.

Figure IV.B5.—SSI Recipients with Federal Benefits in Current-Payment Status as a Percentage of Selected Social Security Area Population Age Groups, as of December, 1980-2025



Historical and projected numbers of individuals who receive only a Federally-administered State supplement are presented in table IV.B8.

Table IV.B8.—SSI Recipients with Federally-Administered State Supplementary Benefits Only, in Current-Payment Status as of December, 1974-2023

[In thousands]

Year	Blind or disabled, by age group					Aged, by age group			Totals		
	0-17	18-34	35-49	50-64	65-74	75 or older	65-74	75 or older	Blind or disabled	Aged	All
Historical data:											
1974....	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)
1975....	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	139	282	421
1976....	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	156	280	437
1977....	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	174	286	460
1978....	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	180	282	462
1979....	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	184	278	462
1980....	2	20	26	82	52	2	112	162	185	274	460
1981....	1	19	26	75	58	2	94	155	181	248	429
1982....	1	18	23	68	53	2	82	137	165	219	384
1983....	1	17	19	50	44	4	65	111	136	176	312
1984....	1	18	23	50	47	7	68	116	147	184	331
1985....	1	21	28	53	45	8	67	115	157	182	339
1986....	1	23	31	55	45	11	66	116	166	182	348
1987....	1	26	36	60	43	12	72	115	178	187	366
1988....	1	26	42	59	44	14	74	114	187	188	375
1989....	2	28	45	60	45	16	76	115	195	192	387
1990....	2	31	54	60	44	17	82	116	208	197	405
1991....	2	29	54	59	42	17	78	108	203	186	389
1992....	2	29	55	59	37	16	70	97	197	167	364
1993....	2	29	58	59	34	15	64	88	197	151	348
1994....	2	28	59	56	32	14	59	81	192	139	331
1995....	3	25	59	56	32	14	54	77	188	131	320
1996....	2	21	54	53	29	13	49	68	172	116	288
1997....	2	20	55	53	29	13	46	65	172	111	283
1998....	2	18	54	55	28	13	43	63	171	106	277
Estimated:											
1999....	2	17	53	56	27	12	43	62	166	105	272
2000....	2	16	52	56	27	11	41	63	164	104	268
2001....	2	16	51	57	26	11	40	63	163	102	265
2002....	2	16	50	58	26	11	38	62	163	100	263
2003....	2	16	49	58	26	11	36	62	162	98	260
2004....	2	15	48	59	26	10	35	61	161	96	257
2005....	2	15	47	60	26	10	33	60	160	94	254
2006....	2	14	45	61	26	10	33	60	159	93	252
2007....	2	14	44	61	26	10	32	60	158	92	249
2008....	2	14	42	62	26	10	32	59	156	91	247
2009....	2	14	41	62	26	10	32	58	155	91	246
2010....	2	14	39	63	26	10	33	57	154	90	245
2011....	2	14	38	63	27	10	34	56	153	90	244
2012....	2	14	37	63	27	10	35	56	152	91	243
2013....	2	14	35	62	28	9	37	55	151	92	243
2014....	2	14	34	62	28	9	38	55	150	93	243
2015....	2	14	34	62	28	9	40	55	149	95	244
2016....	2	14	33	61	29	9	42	55	149	97	245
2017....	3	14	33	61	29	9	43	56	148	99	247
2018....	3	14	32	60	29	9	45	57	147	102	248
2019....	3	14	32	59	30	9	47	58	146	105	250
2020....	3	14	31	58	30	9	49	59	145	108	253
2021....	3	14	31	57	30	9	51	60	144	111	255
2022....	3	14	30	56	30	9	52	63	142	115	257
2023....	3	14	30	54	31	9	54	65	141	118	260

¹ Data not available.

² Age-specific information for these years not yet available.

Notes:

1. Historical split among age groups is estimated.
2. Totals do not necessarily equal the sums of rounded components.

The combined numbers of persons receiving either a Federal SSI payment or a Federally-administered State supplement are displayed in table IV.B9.

In examining the recent history of SSI participation and the projections of such participation in the near future, certain patterns are worth noting. The rapid increase in the total number of SSI participants in the early 1990s is a function of the growth in the numbers of disabled adults and children. The growth in the numbers of children receiving SSI resulted in large part from the Supreme Court decision in the case of Sullivan v. Zebley, which greatly expanded the criteria used for deter-

mining disability for children. The growth in the numbers of disabled adults is a more complicated phenomenon which is still not completely understood. However, extensive research conducted under contract to SSA and the Department of Health and Human Services suggested that this growth was the result of a combination of factors including (1) demographic trends, (2) a downturn in the economy in the late 1980s and early 1990s, (3) long-term structural changes in the economy, and (4) changes in other support programs (in particular the reduction or elimination of general assistance programs in certain States). The recent modest decline in program participation reflects the combined effects of recent legislation described in previous sections, along with changes in some of the factors mentioned above.

Table IV.B9.—SSI Recipients with Federally-Administered Benefits in Current-Payment Status as of December, 1974-2023
[In thousands]

Year	Blind or disabled, by age group					Aged, by age group		Totals			
	0-17	18-34	35-49	50-64	65-74	75 or older	65-74	75 or older	Blind or disabled	Aged	All
Historical data:											
1974...	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	1,710	2,286	3,996
1975...	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	2,007	2,307	4,314
1976...	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	2,088	2,148	4,236
1977...	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	2,187	2,051	4,238
1978...	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	2,249	1,968	4,217
1979...	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	2,278	1,872	4,150
1980...	190	521	377	833	393	20	721	1,086	2,334	1,808	4,142
1981...	195	533	375	795	424	19	635	1,043	2,341	1,678	4,019
1982...	192	535	369	751	439	23	541	1,008	2,309	1,549	3,858
1983...	198	572	386	742	456	32	514	1,001	2,386	1,515	3,901
1984...	212	613	417	751	453	54	531	999	2,499	1,530	4,029
1985...	227	655	454	769	447	80	530	975	2,634	1,504	4,138
1986...	241	711	506	794	442	102	531	942	2,796	1,473	4,269
1987...	251	743	560	816	436	124	536	920	2,930	1,455	4,385
1988...	255	764	606	833	431	142	543	891	3,030	1,433	4,464
1989...	265	785	658	859	427	160	564	875	3,154	1,439	4,593
1990...	309	819	731	900	432	172	589	865	3,363	1,454	4,817
1991...	397	863	823	956	432	183	620	845	3,654	1,465	5,118
1992...	556	949	932	1,029	440	189	647	824	4,095	1,471	5,566
1993...	723	1,019	1,036	1,093	445	194	667	808	4,509	1,475	5,984
1994...	841	1,060	1,130	1,146	457	196	669	797	4,830	1,466	6,296
1995...	917	1,083	1,209	1,190	467	202	656	790	5,068	1,446	6,514
1996...	955	1,087	1,252	1,229	472	205	634	778	5,201	1,413	6,614
1997...	880	1,059	1,251	1,252	486	205	593	770	5,133	1,362	6,495
1998...	887	1,056	1,292	1,298	492	209	564	768	5,234	1,332	6,566
Estimated:											
1999...	898	1,045	1,325	1,337	506	208	543	766	5,318	1,309	6,628
2000...	916	1,029	1,338	1,366	515	209	515	769	5,374	1,283	6,658
2001...	939	1,017	1,341	1,397	526	208	486	771	5,428	1,256	6,684
2002...	960	1,009	1,336	1,430	537	210	461	771	5,481	1,232	6,713
2003...	978	1,005	1,327	1,466	546	213	441	768	5,536	1,208	6,744
2004...	1,000	999	1,313	1,504	553	215	423	764	5,585	1,187	6,772
2005...	1,021	995	1,296	1,543	559	219	407	762	5,633	1,168	6,801
2006...	1,040	994	1,274	1,580	567	220	395	756	5,676	1,151	6,827
2007...	1,056	1,000	1,246	1,613	580	223	385	751	5,718	1,136	6,854
2008...	1,072	1,010	1,218	1,646	593	224	380	744	5,762	1,124	6,887
2009...	1,086	1,022	1,190	1,681	601	227	385	730	5,807	1,116	6,923
2010...	1,100	1,032	1,163	1,720	606	230	392	718	5,851	1,110	6,961
2011...	1,113	1,042	1,138	1,744	623	233	401	704	5,893	1,105	6,998
2012...	1,124	1,051	1,116	1,758	647	237	412	691	5,934	1,103	7,037
2013...	1,135	1,061	1,097	1,775	665	240	425	680	5,974	1,105	7,079
2014...	1,143	1,072	1,081	1,790	685	243	440	670	6,013	1,110	7,123
2015...	1,148	1,084	1,071	1,799	703	245	457	661	6,051	1,118	7,169
2016...	1,151	1,099	1,065	1,803	721	248	474	655	6,087	1,128	7,216
2017...	1,158	1,108	1,062	1,801	739	253	488	653	6,122	1,141	7,263
2018...	1,166	1,117	1,059	1,797	757	258	501	653	6,154	1,154	7,308
2019...	1,173	1,126	1,055	1,790	778	261	519	652	6,184	1,170	7,354
2020...	1,179	1,134	1,052	1,782	800	263	539	650	6,211	1,189	7,399
2021...	1,186	1,141	1,051	1,769	817	270	553	658	6,234	1,211	7,446
2022...	1,192	1,146	1,057	1,747	832	281	563	674	6,255	1,237	7,492
2023...	1,198	1,151	1,067	1,723	846	288	576	686	6,274	1,262	7,536

¹ Age-specific information for these years not yet available.

Notes:

1. Historical split among age groups is estimated.
2. Totals do not necessarily equal the sums of rounded components.

C. FEDERAL PAYMENTS UNDER SSI

In order to estimate future amounts of Federal expenditures under SSI, the projected Federal benefit rates shown in table IV.A2 are first modified to reflect actual payment levels, taking into account historical and projected levels of adjustments for other actual or deemed income. Combining these actual payment levels with the projected numbers of persons receiving Federal SSI payments yields estimates of the amounts of Federal SSI payments. Historical amounts of such payments on a calendar year basis are shown in table IV.C1. For purposes of this presentation, these payment amounts are computed on a cash-flow basis consistent with the concepts used to define SSI obligations for the Federal Budget. As a result, for months after January 1978, SSI payments due on the first of the month are tabulated in the previous month, if the first of the month falls on a weekend or Federal holiday.¹

Table IV.C1.—SSI Federal Payments in Current Dollars,¹ Calendar Years 1974-99

[In millions]

Calendar year	Blind or disabled, by age group					Aged, by age group			Totals		
	0-17	18-34	35-49	50-64	65-74	75 or older	65-74	75 or older	Blind or disabled	Aged	All
1974	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	\$2,050	\$1,783	\$3,833
1975	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	2,471	1,843	4,314
1976	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	2,727	1,785	4,512
1977	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	2,966	1,737	4,703
1978 ³ . . .	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	3,449	1,847	5,296
1979	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	3,546	1,760	5,306
1980	\$397	\$931	\$731	\$1,420	\$544	\$28	\$642	\$1,230	4,051	1,872	5,923
1981	458	1,079	821	1,542	654	32	643	1,320	4,586	1,963	6,549
1982	512	1,211	883	1,590	704	38	630	1,364	4,937	1,994	6,931
1983	574	1,372	985	1,704	774	58	624	1,440	5,466	2,064	7,530
1984	659	1,576	1,128	1,835	836	102	670	1,512	6,136	2,182	8,318
1985	736	1,709	1,250	1,924	833	160	699	1,499	6,611	2,198	8,809
1986	831	1,929	1,452	2,043	848	209	731	1,479	7,312	2,210	9,522
1987	900	2,081	1,618	2,157	846	259	765	1,444	7,860	2,210	10,069
1988	955	2,228	1,818	2,303	874	304	814	1,449	8,481	2,263	10,744
1989	1,025	2,431	2,048	2,481	936	366	881	1,479	9,286	2,361	11,647
1990	1,201	2,660	2,395	2,792	969	407	987	1,532	10,423	2,519	12,943
1991	1,678	3,129	2,966	3,305	1,060	463	1,169	1,637	12,601	2,806	15,407
1992	3,154	3,900	3,577	3,790	1,124	487	1,303	1,690	16,033	2,993	19,026
1993	3,909	4,465	4,164	4,188	1,208	513	1,471	1,759	18,447	3,230	21,677
1994	4,167	4,504	4,666	4,533	1,274	538	1,566	1,814	19,682	3,380	23,063
1995	4,657	4,777	5,155	4,896	1,357	565	1,599	1,900	21,407	3,499	24,906
1996	4,947	5,004	5,614	5,298	1,427	590	1,643	1,977	22,880	3,621	26,501
1997	4,920	5,031	5,564	5,410	1,505	614	1,586	2,046	23,044	3,632	26,675
1998	4,965	5,150	5,901	5,777	1,588	635	1,542	2,136	24,017	3,678	27,695
1999 ⁴ . . .	5,032	5,189	6,202	6,148	1,670	654	1,494	2,199	24,894	3,693	28,587

¹ Total historical payments for 1974-77 agree with those presented in the *Annual Statistical Supplement to the Social Security Bulletin*. Total historical payments for 1978-83 are estimated.

² Age-specific information for these years not yet available.

³ Includes 13 months of payments since payments due on January 1, 1978 and January 1, 1979 were both paid in calendar year 1978.

⁴ Partially estimated.

Notes:

1. Historical split among age groups is estimated.
2. Totals do not necessarily equal the sums of rounded components.

Using this cash-flow concept causes these payments to differ from similar amounts shown in other Social Security Administration publications, such as the *Annual Statistical Supplement to the Social Security Bulletin*, in two main ways. First, the payments shown in the *Annual Statistical Supplement* are tabulated for the month the payment is due, while the amounts shown in table IV.C1 are tabulated for the month they are actually paid. In particular, since January 1 of each year is a Federal holiday, SSI payments due on January 1 of years 1979 and later are actually paid in December of the previous year. Thus, for example, the calendar year 1998 payment amounts shown in table IV.C1

¹ Public Law 95-216, the Social Security Amendments of 1977, enacted December 20, 1977, added a statutory requirement that SSI payments, which are normally due on the first of the month, be delivered early when the normal delivery date falls on a Saturday, Sunday or Federal holiday. When the first of the month falls on a weekend or Federal holiday, all payments due on that day are paid in the previous month. Payments presented on a cash-flow basis are tabulated according to the month in which they are actually paid.

reflect payments made in January-December, 1998, and include the payments due on January 1, 1999 (which were actually paid in December, 1998), but not the payments due on January 1, 1998 (which were actually paid in December, 1997). Second, beginning in 1991, SSI obligations as accounted for in the Federal Budget are not reduced for certain recovered overpayments which are remitted directly to the Department of the Treasury. The payments shown in the *Annual Statistical Supplement* continue to report an amount which is reduced by such overpayment recoveries as was done for the Budget prior to 1991.

Corresponding amounts of SSI outlays on a fiscal year¹ basis are presented in table IV.C2 for fiscal years 1978-99. Fiscal years prior to 1978 are omitted from table IV.C2 since historical SSI payment amounts on a fiscal year basis for years prior to 1978 are not readily available. As with the calendar year figures, these fiscal year amounts are shown on a cash-flow basis. Consequently, fiscal years 1979 and later may contain 11, 12, or 13 months of payments, depending on whether October 1 of the current and succeeding fiscal years falls on a weekend.² Fiscal year 1978 contains 13 months of payments.

Table IV.C2.—SSI Federal Payments in Current Dollars, Fiscal Years 1978-99

[In millions]

Fiscal year	Blind or disabled, by age group						Aged, by age group			Totals		
	0-17	18-34	35-49	50-64	65-74	75 or older	65-74	75 or older	Blind or disabled	Aged	All	
1978	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	\$3,386	\$1,848	\$5,234	
1979 ²	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	3,172	1,610	4,782	
1980	\$372	\$877	\$698	\$1,360	\$506	\$26	\$629	\$1,184	3,840	1,813	5,653	
1981	442	1,039	797	1,508	625	31	647	1,307	4,442	1,954	6,396	
1982	499	1,181	861	1,570	693	36	640	1,356	4,840	1,996	6,836	
1983	596	1,416	1,024	1,783	806	56	660	1,510	5,680	2,170	7,850	
1984	588	1,411	1,005	1,665	760	85	613	1,391	5,514	2,004	7,517	
1985	713	1,662	1,215	1,895	828	145	691	1,502	6,459	2,193	8,652	
1986	800	1,864	1,386	1,995	840	196	723	1,487	7,080	2,209	9,290	
1987	880	2,030	1,565	2,119	845	242	755	1,448	7,681	2,203	9,884	
1988	1,009	2,356	1,898	2,425	932	316	860	1,559	8,935	2,419	11,354	
1989	1,012	2,378	1,997	2,452	910	345	862	1,473	9,094	2,335	11,430	
1990	1,039	2,378	2,115	2,479	876	362	879	1,394	9,247	2,273	11,521	
1991	1,519	2,975	2,772	3,141	1,032	447	1,120	1,608	11,886	2,728	14,614	
1992	2,684	3,621	3,398	3,653	1,099	476	1,269	1,680	14,932	2,949	17,881	
1993	3,817	4,377	3,977	4,033	1,175	502	1,420	1,730	17,880	3,150	21,029	
1994	4,328	4,771	4,866	4,756	1,344	569	1,659	1,930	20,635	3,588	24,223	
1995	4,554	4,719	5,031	4,822	1,341	560	1,596	1,884	21,027	3,480	24,507	
1996	4,543	4,595	5,123	4,830	1,305	540	1,510	1,808	20,936	3,317	24,254	
1997	4,933	5,004	5,529	5,340	1,478	606	1,602	2,027	22,890	3,629	26,519	
1998	4,915	5,114	5,816	5,688	1,567	630	1,548	2,110	23,729	3,658	27,387	
1999 ³	4,979	5,161	6,102	5,997	1,626	642	1,515	2,162	24,507	3,677	28,184	

¹ Age-specific information for these years not yet available.

² Payment due on October 1 of fiscal year paid in previous fiscal year.

³ Partially estimated.

Notes:

1. Historical split among age groups is estimated.

2. Totals do not necessarily equal the sums of rounded components.

When projecting dollar amounts over longer periods of time, the changing value of the dollar due to inflation can make meaningful comparisons of such amounts difficult. For this reason, in projecting SSI expenditures for 25 years, some means of removing inflation is generally desirable. Several economic series are available to allow current dollars to be adjusted for changes in prices, wages, and

¹ Fiscal years 1977 and later cover the period from October 1 of the previous calendar year to September 30 of the year. For example, fiscal year 1998 payments include payments made from October 1, 1997 through September 30, 1998.

² Generally, for fiscal years 1979 and later, the number of months of payments included in the fiscal year is:

- 11 months if October 1 of the current, but not the succeeding fiscal year falls on a weekend;
- 12 months if October 1 of both the current and succeeding fiscal years falls during the week (all payments made in the month due);
- 12 months if October 1 of both the current and succeeding fiscal years falls on a weekend (both payments due on October 1 paid in preceding fiscal year); and
- 13 months if October 1 of the succeeding, but not current, fiscal year falls on a weekend.

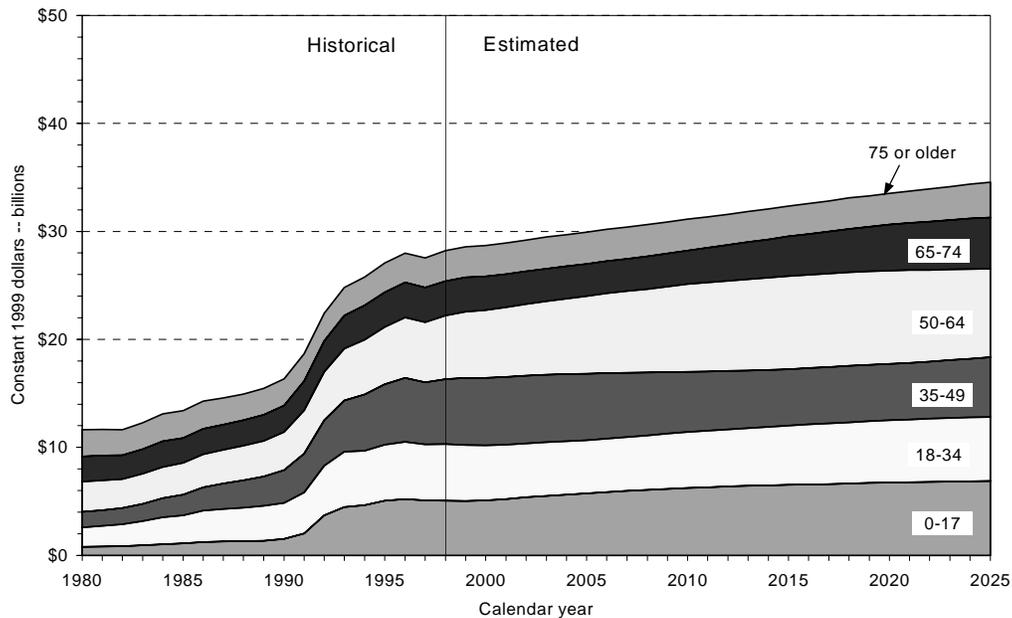
An exception to this general rule for October 1, 2000, was enacted in Public Law 105-33. Payments due on that Sunday will actually be paid on Monday, October 2, rather than on Friday, September 29.

certain other aspects of economic growth during the projection period. The selection of a particular index for adjustment of current dollars depends upon a determination as to which index provides the most useful standard for adjusting dollar amounts over time, to create values that are appropriately comparable.

One of the most common forms of standardization is based on some measure of change in the prices of consumer goods. One such price index is the Consumer Price Index for Urban Wage Earners and Clerical Workers published by the Bureau of Labor Statistics. This is the index used to determine annual increases in the SSI Federal benefit rate as described in table IV.A2, and for this reason is an appropriate means of standardizing projected SSI costs over time. Constant-dollar values of Federal SSI benefit payments (those adjusted by the CPI) are presented in table IV.C3 for both the historical period, calendar years 1974-98, along with the full 25-year projection period, 1999-2023. This same information is presented in graphical form in figure IV.C1.

The future growth in the “constant dollar” estimates is attributable primarily to the underlying growth in the U.S. population as shown in table IV.A1, since, after the spike in terminations in 1997, the SSI recipient population is projected to remain fairly constant as a percentage of the total U.S. population. However, a small part of the growth in estimated payments is due to some underlying real growth in the assumed average SSI benefit. This results from an estimated increase in the disabled child recipients and a decrease in aged recipients as a percentage of the total SSI recipient population, along with the fact that disabled children typically have a much larger SSI benefit than do aged recipients.¹

Figure IV.C1.—SSI Federal Payments, by Age Group, in Constant 1999 Dollars, Calendar Years 1980-2025
[In billions]



¹ Disabled children typically have higher monthly Federal payment amounts because they have, on average, much less countable income than do adult recipients.

Table IV.C3.—SSI Federal Payments in Constant 1999 Dollars, Calendar Years 1974-2023

[In millions]

Calendar year	Blind or disabled, by age group						Aged, by age group		Totals		
	0-17	18-34	35-49	50-64	65-74	75 or older	65-74	75 or older	Blind or disabled	Aged	All
Historical data:											
1974....	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	\$6,726	\$5,840	\$12,565
1975....	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	7,431	5,543	12,974
1976....	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	7,757	5,077	12,834
1977....	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	7,924	4,641	12,565
1978 ² ..	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	8,554	4,581	13,135
1979....	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	7,892	3,917	11,810
1980....	\$779	\$1,827	\$1,435	\$2,787	\$1,068	\$55	\$1,260	\$2,414	7,951	3,674	11,624
1981....	816	1,920	1,461	2,745	1,165	56	1,144	2,351	8,164	3,495	11,658
1982....	860	2,033	1,482	2,669	1,182	64	1,057	2,290	8,290	3,348	11,638
1983....	935	2,237	1,606	2,778	1,261	94	1,017	2,347	8,911	3,364	12,275
1984....	1,038	2,482	1,777	2,890	1,317	160	1,056	2,381	9,664	3,437	13,101
1985....	1,120	2,600	1,902	2,929	1,268	243	1,064	2,281	10,062	3,345	13,407
1986....	1,245	2,890	2,176	3,061	1,270	313	1,095	2,216	10,955	3,310	14,265
1987....	1,301	3,009	2,340	3,119	1,223	375	1,107	2,089	11,367	3,196	14,563
1988....	1,328	3,098	2,528	3,202	1,215	423	1,132	2,015	11,794	3,147	14,941
1989....	1,361	3,226	2,717	3,292	1,243	485	1,169	1,963	12,323	3,133	15,456
1990....	1,514	3,355	3,021	3,522	1,222	513	1,245	1,932	13,147	3,177	16,324
1991....	2,033	3,790	3,593	4,004	1,285	560	1,416	1,984	15,266	3,400	18,665
1992....	3,713	4,592	4,211	4,462	1,323	573	1,534	1,990	18,875	3,524	22,399
1993....	4,476	5,112	4,768	4,795	1,383	587	1,684	2,014	21,122	3,698	24,820
1994....	4,656	5,033	5,214	5,066	1,424	602	1,750	2,027	21,994	3,777	25,771
1995....	5,058	5,188	5,599	5,317	1,474	614	1,737	2,064	23,250	3,801	27,051
1996....	5,223	5,283	5,927	5,593	1,507	623	1,735	2,088	24,157	3,823	27,980
1997....	5,079	5,193	5,744	5,585	1,553	634	1,637	2,112	23,789	3,749	27,539
1998....	5,058	5,247	6,012	5,886	1,618	647	1,571	2,176	24,468	3,747	28,215
Estimated:											
1999....	5,032	5,189	6,202	6,148	1,670	654	1,494	2,199	24,894	3,693	28,587
2000....	5,113	5,079	6,250	6,271	1,688	653	1,419	2,216	25,053	3,635	28,687
2001....	5,221	5,023	6,289	6,438	1,725	651	1,340	2,225	25,346	3,565	28,911
2002....	5,380	4,985	6,285	6,611	1,761	658	1,275	2,232	25,679	3,507	29,186
2003....	5,514	4,966	6,257	6,790	1,791	667	1,230	2,251	25,984	3,480	29,464
2004....	5,632	4,938	6,206	6,983	1,811	673	1,186	2,251	26,243	3,437	29,680
2005....	5,754	4,924	6,140	7,185	1,830	685	1,143	2,259	26,518	3,402	29,919
2006....	5,873	4,940	6,062	7,388	1,861	691	1,114	2,260	26,815	3,374	30,189
2007....	5,971	4,980	5,950	7,564	1,906	699	1,084	2,246	27,070	3,331	30,400
2008....	6,064	5,038	5,829	7,734	1,950	703	1,070	2,231	27,319	3,300	30,619
2009....	6,154	5,103	5,710	7,919	1,977	712	1,087	2,198	27,575	3,285	30,860
2010....	6,248	5,164	5,597	8,115	1,999	722	1,109	2,170	27,845	3,279	31,125
2011....	6,316	5,220	5,497	8,250	2,062	732	1,137	2,138	28,077	3,275	31,352
2012....	6,377	5,283	5,413	8,351	2,148	745	1,171	2,108	28,317	3,278	31,595
2013....	6,434	5,343	5,339	8,458	2,215	759	1,209	2,083	28,549	3,292	31,841
2014....	6,483	5,409	5,275	8,548	2,285	767	1,256	2,061	28,768	3,318	32,085
2015....	6,526	5,482	5,243	8,614	2,353	776	1,308	2,045	28,995	3,353	32,347
2016....	6,554	5,558	5,227	8,645	2,418	786	1,358	2,033	29,188	3,391	32,579
2017....	6,604	5,613	5,229	8,656	2,482	804	1,399	2,035	29,388	3,435	32,823
2018....	6,659	5,674	5,232	8,659	2,553	822	1,442	2,044	29,599	3,486	33,084
2019....	6,695	5,726	5,226	8,648	2,630	834	1,495	2,045	29,759	3,539	33,299
2020....	6,731	5,772	5,222	8,630	2,711	844	1,554	2,048	29,910	3,602	33,512
2021....	6,767	5,815	5,236	8,584	2,777	869	1,595	2,079	30,048	3,674	33,722
2022....	6,802	5,853	5,278	8,501	2,834	903	1,625	2,133	30,171	3,758	33,929
2023....	6,835	5,888	5,346	8,407	2,894	929	1,665	2,179	30,300	3,844	34,144

¹ Age-specific information for these years not yet available.

² Includes 13 months of payments since payments due on January 1, 1978 and January 1, 1979 were both paid in calendar year 1978.

Notes:

1. Historical split among age groups is estimated.
2. Totals do not necessarily equal the sums of rounded components.

Although detailed projections of SSI State supplementary payments are not prepared, historical information on the amounts of such supplements is presented in tables IV.C4 and IV.C5. These amounts are consistent with those presented in the *Annual Statistical Supplement to the Social Security Bulletin* and are shown only for the two broad recipient categories.

Table IV.C4.—SSI Federally-Administered State Supplementary Payments in Current Dollars, Calendar Years 1974-98

[In millions]

Calendar year	Aged	Blind or disabled	Total
1974	\$631	\$632	\$1,264
1975	674	729	1,403
1976	635	753	1,388
1977	627	804	1,431
1978	636	855	1,491
1979	661	928	1,590
1980	757	1,091	1,848
1981	731	1,108	1,839
1982	694	1,104	1,798
1983	645	1,066	1,711
1984	645	1,148	1,792
1985	694	1,278	1,973
1986	759	1,484	2,243
1987	849	1,714	2,563
1988	873	1,798	2,671
1989	954	2,001	2,955
1990	1,038	2,201	3,239
1991	999	2,232	3,231
1992	1,023	2,412	3,435
1993	934	2,336	3,270
1994	876	2,240	3,116
1995	864	2,253	3,118
1996	833	2,155	2,988
1997	824	2,090	2,913
1998 ¹	838	2,165	3,003

¹ Split between recipient categories is estimated.

Note: Totals do not necessarily equal the sums of rounded components.

Table IV.C5.—SSI State-Administered Payments¹ in Current Dollars, Calendar Years 1974-98

[In millions]

Calendar year	Aged	Blind or disabled	Total ²
1974	\$89	\$49	\$149
1975	88	74	162
1976	88	77	166
1977	85	87	172
1978	91	88	180
1979	105	100	207
1980	117	106	226
1981	120	113	237
1982	125	119	276
1983	135	132	270
1984	141	152	299
1985	138	165	311
1986	147	185	340
1987	146	205	359
1988	150	224	381
1989	160	251	419
1990	177	281	466
1991	200	310	529
1992	216	323	550
1993	219	341	566
1994	225	354	585
1995	228	356	590
1996	225	307	539
1997	228	303	681
1998	259	429	808

¹ Data provided by individual States are partially estimated, and may be incomplete.

² Includes amounts not distributed by recipient category.

D. FEDERAL SSI PAYMENTS AS A PERCENTAGE OF GROSS DOMESTIC PRODUCT

As mentioned in the previous section, in order to make meaningful comparisons of dollar amounts projected over long periods of time, it is essential to provide some sort of standardization that accounts for various aspects of economic growth over the projection period. In that section, one such set of standardized amounts (“constant dollars”) was presented by adjusting for changes in the CPI over time. An alternative approach would be to provide some type of relative measure of these amounts. In the OASDI Trustees Report, such a relative measure of program costs is produced by comparing the nominal annual outgo to the total earnings in the economy subject to taxation under the OASDI program. In the case of SSI, a more appropriate measure is produced by comparing estimated annual SSI costs to the Gross Domestic Product (GDP—the total value of goods and services produced in the United States). In addition to providing an inflation-independent measure of the cost of the SSI program, this provides a useful perspective on the proportion of the total output of the U.S. economy needed to provide Federal SSI benefits. As is shown in table IV.D1 and figure IV.D1, the total cost of the SSI program is projected to decline relative to GDP throughout the projection period.

Table IV.D1 and figure IV.D1 present a concise summary of Federal expenditures under the SSI program. Following the initial higher costs of the program, total Federal SSI payments during the 1980s were a fairly constant percentage of GDP (0.21 percent). During the early 1990s, SSI experienced rather rapid growth (to 0.35 percent of GDP in 1996) due to a combination of factors discussed earlier in section IV. Welfare reform legislation resulted in a drop in the cost of SSI as a percentage of GDP in 1997. As mentioned earlier, the estimates prepared for this report project total participation in the SSI program to remain a stable proportion of the U.S. population. Federal SSI expenditures, after adjusting for growth in prices, are projected to grow slightly faster than the population due to the estimated small amount of real growth in the SSI average benefit, as discussed previously in section IV.C. Since the real growth projected for GDP under the 1999 Trustees Report intermediate assumptions is greater than the combined effects of increases in SSI participation and the estimated real increase in the SSI average benefit, Federal SSI payments are projected to continue to decline as a percentage of GDP over the next 25 years, reaching 0.26 percent of GDP by 2023.

Figure IV.D1.—SSI Federal Payments, by Age Group, as a Percentage of GDP, Calendar Years 1980-2025

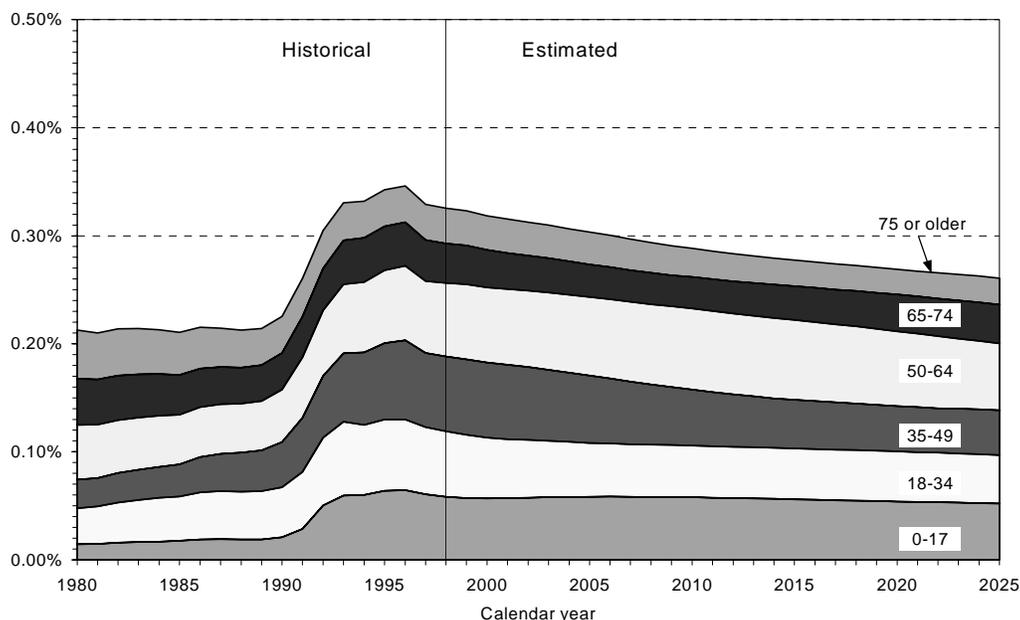


Table IV.D1.—SSI Federal Payments as a Percentage of GDP, Calendar Years 1974-2023

Calendar year	GDP (In billions)	Blind or disabled, by age group					Aged, by age group			Totals		
		0-17	18-34	35-49	50-64	65-74	75 or older	65-74	75 or older	Blind or disabled	Aged	All
Historical data:												
1974 ...	\$1,497	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	0.137	0.119	0.256
1975 ...	1,631	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	.152	.113	.265
1976 ...	1,819	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	.150	.098	.248
1977 ...	2,027	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	.146	.086	.232
1978 ...	2,291	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	.151	.081	.231
1979 ...	2,558	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	.139	.069	.207
1980 ...	2,784	0.014	0.033	0.026	0.051	0.020	0.001	0.023	0.044	.145	.067	.213
1981 ...	3,116	.015	.035	.026	.049	.021	.001	.021	.042	.147	.063	.210
1982 ...	3,242	.016	.037	.027	.049	.022	.001	.019	.042	.152	.061	.214
1983 ...	3,515	.016	.039	.028	.048	.022	.002	.018	.041	.156	.059	.214
1984 ...	3,902	.017	.040	.029	.047	.021	.003	.017	.039	.157	.056	.213
1985 ...	4,181	.018	.041	.030	.046	.020	.004	.017	.036	.158	.053	.211
1986 ...	4,422	.019	.044	.033	.046	.019	.005	.017	.033	.165	.050	.215
1987 ...	4,692	.019	.044	.034	.046	.018	.006	.016	.031	.168	.047	.215
1988 ...	5,050	.019	.044	.036	.046	.017	.006	.016	.029	.168	.045	.213
1989 ...	5,439	.019	.045	.038	.046	.017	.007	.016	.027	.171	.043	.214
1990 ...	5,744	.021	.046	.042	.049	.017	.007	.017	.027	.181	.044	.225
1991 ...	5,917	.028	.053	.050	.056	.018	.008	.020	.028	.213	.047	.260
1992 ...	6,244	.051	.062	.057	.061	.018	.008	.021	.027	.257	.048	.305
1993 ...	6,558	.060	.068	.063	.064	.018	.008	.022	.027	.281	.049	.331
1994 ...	6,947	.060	.065	.067	.065	.018	.008	.023	.026	.283	.049	.332
1995 ...	7,270	.064	.066	.071	.067	.019	.008	.022	.026	.294	.048	.343
1996 ...	7,662	.065	.065	.073	.069	.019	.008	.021	.026	.299	.047	.346
1997 ...	8,111	.061	.062	.069	.067	.019	.008	.020	.025	.284	.045	.329
1998 ...	8,509	.058	.061	.069	.068	.019	.007	.018	.025	.282	.043	.325
Estimated:												
1999 ...	8,845	.057	.059	.070	.070	.019	.007	.017	.025	.281	.042	.323
2000 ...	9,194	.057	.056	.069	.070	.019	.007	.016	.025	.278	.040	.319
2001 ...	9,591	.057	.055	.069	.070	.019	.007	.015	.024	.276	.039	.315
2002 ...	10,020	.058	.053	.067	.071	.019	.007	.014	.024	.275	.038	.313
2003 ...	10,488	.058	.052	.066	.071	.019	.007	.013	.024	.273	.037	.310
2004 ...	11,001	.058	.051	.064	.072	.019	.007	.012	.023	.271	.035	.306
2005 ...	11,560	.058	.050	.062	.073	.019	.007	.012	.023	.269	.034	.303
2006 ...	12,154	.058	.049	.060	.073	.019	.007	.011	.022	.267	.034	.300
2007 ...	12,784	.058	.049	.058	.074	.019	.007	.011	.022	.264	.033	.297
2008 ...	13,446	.058	.048	.056	.074	.019	.007	.010	.021	.262	.032	.294
2009 ...	14,134	.058	.048	.054	.075	.019	.007	.010	.021	.260	.031	.291
2010 ...	14,850	.058	.048	.052	.075	.019	.007	.010	.020	.258	.030	.288
2011 ...	15,597	.058	.048	.050	.075	.019	.007	.010	.019	.256	.030	.286
2012 ...	16,370	.057	.047	.049	.075	.019	.007	.010	.019	.254	.029	.283
2013 ...	17,170	.057	.047	.047	.075	.020	.007	.011	.018	.252	.029	.281
2014 ...	18,000	.056	.047	.046	.074	.020	.007	.011	.018	.250	.029	.279
2015 ...	18,863	.056	.047	.045	.074	.020	.007	.011	.018	.249	.029	.278
2016 ...	19,758	.055	.047	.044	.073	.020	.007	.011	.017	.247	.029	.276
2017 ...	20,692	.055	.047	.044	.072	.021	.007	.012	.017	.245	.029	.274
2018 ...	21,663	.055	.047	.043	.071	.021	.007	.012	.017	.244	.029	.272
2019 ...	22,673	.054	.047	.042	.070	.021	.007	.012	.017	.242	.029	.271
2020 ...	23,723	.054	.046	.042	.069	.022	.007	.012	.016	.240	.029	.269
2021 ...	24,808	.054	.046	.042	.068	.022	.007	.013	.016	.238	.029	.267
2022 ...	25,956	.053	.046	.041	.067	.022	.007	.013	.017	.236	.029	.266
2023 ...	27,138	.053	.046	.041	.065	.022	.007	.013	.017	.234	.030	.264

¹ Age-specific information for these years not yet available.

Notes:

1. Historical GDP amounts subject to revision.
2. Totals do not necessarily equal the sums of rounded components.

**E. THE SSI PROGRAM'S SHARE OF SSA'S ADMINISTRATIVE COSTS
AND BENEFICIARY SERVICES COSTS**

The SSI program is administered by the Social Security Administration. Section 201(g)(1) of the Social Security Act provides that administrative expenses for the SSI program, including Federal administration of State supplementation payments, may be financed from the OASDI Trust Funds. The trust funds are reimbursed from the General Fund of the Treasury for any such SSI administrative expenditures. These reimbursements include adjustments for any interest losses the trust funds may have incurred as a result of such expenditures. The legislative history of the 1972 amendments (which established this funding mechanism) indicates a desire to obtain economy of administration by giving SSA the responsibility for the SSI program because of its existing field office network and its administrative and automated data processing facilities. Because of the integration of the administration of the SSI and OASDI programs, it was desirable to fund them from a single source, with reimbursement to the trust funds based on a General Accounting Office-approved method of cost analysis of the respective expenses of the SSI and OASDI programs, and a final settlement by the end of the subsequent fiscal year required by law. Table IV.E1 provides historical data on selected administrative costs of the SSI program.

Table IV.E1.—Selected SSI Administrative Costs, Fiscal Years 1978-99

[Outlays in millions]

Fiscal year	Payments to the trust funds ¹	Beneficiary services ²
1978	\$539	\$31.6
1979	611	57.0
1980	668	33.1
1981	717	37.3
1982	780	12.0
1983	846	8.0
1984	864	³ 84.0
1985	956	3.0
1986	1,023	7.2
1987	977	9.5
1988	976	12.9
1989	1,052	20.0
1990	1,075	28.3
1991	1,230	33.1
1992	1,426	36.0
1993	1,468	32.3
1994	1,780	33.8
1995	1,978	48.2
1996	1,953	71.8
1997	2,055	77.3
1998	2,304	46.0
1999 (estimated)	2,429	61.0

¹ This activity funds the reimbursement to the OASI and DI Trust Funds from the General Fund of the Treasury for the SSI program's share of SSA's administrative expenses.

² Includes payments to State Vocational Rehabilitation (VR) agencies for VR services and payments for referral and monitoring services for Drug Addicts and Alcoholics, which terminated effective January, 1997.

³ Reflects a one-time payment to State VR agencies for prior year expenses.

V. APPENDICES

A. HISTORY OF PROVISIONS

Act 1. Basic Eligibility Requirements

1972 *(Public Law 92-603, enacted October 30.)*

An individual may qualify for payments on the basis of age, blindness, or disability.

Aged: Any person aged 65 or older.

Blind: Any person with 20/200 or less vision in the better eye with the use of correcting lenses, or with tunnel vision of 20 degrees or less. An individual transferred from a State Aid to the Blind (AB) program is eligible if he/she received such State aid in December 1973 and continues to meet the October 1972 State definition of blindness.

Disabled: Any person unable to engage in any substantial gainful activity by reason of any medically determinable physical or mental impairment expected to result in death or that has lasted or can be expected to last for a continuous period of at least 12 months. For a child under age 18, eligibility is based on disability of severity comparable with that of an adult. An individual transferred from a State Aid to the Permanently and Totally Disabled (APTD) program to SSI is also eligible if he/she received such State aid in December 1973 and continues to meet the October 1972 State definition of disability.

1973 *(Public Law 93-233, enacted December 31.)*

Only persons who had received APTD before July 1973 and were on the rolls in December 1973 may receive SSI on the basis of the State definition of disability; those who became eligible for State aid from July to December 1973 must meet the Federal definition of disability.

1980 *(Public Law 96-265, enacted June 9.)*

A disabled recipient who loses Federal SSI eligibility because of earnings at the substantial gainful activity level may continue to receive a special benefit under section 1619 and retain eligibility for Medicaid under title XIX of the Social Security Act. This special benefit status may continue as long as the recipient has the disabling impairment and meets all nondisability SSI eligibility criteria. States have the option of supplementing this special benefit.

This provision of the law was in effect from January 1, 1981, through December 31, 1983. Beginning in January 1984, under a 1-year demonstration project, this provision was continued for persons already eligible for either regular SSI payments or special monthly benefits.

1984 *(Public Law 98-460, enacted October 9.)*

The special benefit and Medicaid provisions of the 1980 legislation were extended through June 30, 1987 (retroactive to January 1, 1984).

1986 *(Public Law 99-643, enacted November 10.)*

The special benefit and Medicaid provisions of the 1980 amendments were made permanent. The provisions were amended effective July 1, 1987, with significant modifications to simplify administration and to allow free movement between regular SSI disability benefits and either the special cash benefit or Medicaid eligibility under section 1619.

Act

1996 *(Public Law 104-193, enacted August 22.)*

For individuals under age 18, the “comparable severity” standard was eliminated and replaced with a requirement that a child would be considered disabled if he/she had a medically determinable impairment that resulted in “marked and severe functional limitations,” and met the existing statutory duration requirement. The law also eliminated references to “maladaptive behaviors” in the Listing of Impairments for children, and discontinued the use of individualized functional assessments for children.

SSI eligibility is prohibited for an individual in any month during which such an individual is a fugitive felon, fleeing prosecution, or violating State or Federal conditions of probation or parole. In addition, SSI eligibility is prohibited for 10 years for those convicted of fraudulently claiming residence to obtain benefits simultaneously in two or more States.

2. Other Eligibility Provisions

a. Citizenship and Residence

1972 *(Public Law 92-603, enacted October 30.)*

The individual must reside within one of the 50 States or the District of Columbia and be a citizen or an alien lawfully admitted for permanent residence or permanently residing in the United States under color of law. Persons living outside the United States for an entire calendar month lose their eligibility for such a month.

1976 *(Public Law 94-241, enacted March 24.)*

Eligibility for SSI was extended to residents of the Northern Mariana Islands, effective January 9, 1978.

1980 *(Public Law 96-265, enacted June 9.)*

The income and resources of the immigration sponsors of aliens applying for SSI are considered in determining eligibility for and the amount of payment. After allowances for the needs of the sponsor and his/her family, the remainder is deemed available for the support of the alien applicant for a 3-year period after admission to the United States for permanent residence. This provision does not apply to those who become blind or disabled after admission, to refugees, or to persons granted political asylum.

1989 *(Public Law 101-239, enacted December 19.)*

SSI eligibility is continued for a disabled or blind child who was receiving SSI benefits while living in the United States and is now living with a parent who is a member of the U.S. Armed Forces assigned to permanent duty ashore outside the United States, but not where the parent was stationed in Puerto Rico or the territories and possessions of the United States.

1993 *(Public Law 103-66, enacted August 10.)*

Above provision made applicable where the parent is a member of the U.S. Armed Forces and stationed in Puerto Rico or the territories and possessions of the United States.

Act

1996 *(Public Law 104-193, enacted August 22.)*

Prohibits SSI eligibility for anyone who is not a U.S. citizen or national unless they are in a “qualified alien” category and meet one of certain exceptions such as lawful permanent residents who earn or can be credited with 40 qualifying quarters of earnings, certain refugee type categories eligible for up to 5 years of time limited eligibility, or active duty U.S. military or veterans and their spouses and children. Extends eligibility for aliens receiving SSI as of August 22, 1996 (the enactment date of the law) for 1 year after the enactment date for those aliens found ineligible under the new standards.

(Public Law 104-208, enacted September 30.)

Amends Public Law 104-193 to add to the list of “qualified aliens” certain noncitizens (and their children) who have been battered or subjected to extreme cruelty by a spouse or parent or a member of the spouse’s or parent’s family living in the same household.

1997 *(Public Law 105-18, enacted June 12.)*

Extends eligibility for aliens receiving SSI as of August 22, 1996, until September 30, 1997, for those found ineligible under the new alien standards of Public Law 104-193.

(Public Law 105-33, enacted August 5.)

Further amended Public Law 104-193 to add Cuban and Haitian entrants, and the child of a parent who has been battered or subjected to extreme cruelty, to the list of qualified aliens. Provided that Cuban and Haitian entrants and Amerasian immigrants qualify for time limited eligibility, and increased the time limit from 5 to 7 years for all categories. Additional exceptions were added for qualified aliens: (1) lawfully residing in the United States and receiving SSI benefits on August 22, 1996; and (2) lawfully residing in the United States on August 22, 1996 and meeting the definition of blind or disabled in the Social Security Act.

Certain noncitizen American Indians were excepted from the alien nonpayment provisions of Public Law 104-193.

Extends eligibility for “nonqualified aliens” receiving SSI as of August 22, 1996, until September 30, 1998.

1998 *(Public Law 105-306, enacted October 28.)*

Permanently extends eligibility of all remaining “nonqualified aliens” who were receiving SSI benefits when Public Law 104-193 was enacted in August 1996.

b. Other Benefits

1980 *(Public Law 96-272, enacted June 17.)*

SSI applicants and recipients are not required as a condition of eligibility to elect to receive Veterans Administration pensions under the Veterans and Survivors’ Pension Improvement Act of 1978 if the State of residence lacks a medically-needy program under title XIX.

Act c. Drug Addiction and Alcoholism (DA&A)1972 *(Public Law 92-603, enacted October 30.)*

Any disabled individual who has been medically determined to be an alcoholic or drug addict must accept appropriate treatment, if available, in an approved facility and demonstrate compliance with conditions and requirements for treatment.

SSI payments are required to be made through a representative payee—another person or public or private agency designated by SSA to manage the recipient's benefit on his/her behalf.

1994 *(Public Law 103-296, enacted August 15.)*

Any individual who is receiving SSI based on a disability where drug addiction or alcoholism is a contributing factor material to the finding of disability must comply with the DA&A treatment requirements. The individual must accept appropriate treatment when it is available and comply with the conditions and terms of treatment. Instances of non-compliance with the requirements result in progressively longer benefit suspensions. Before benefits can resume, the individual must demonstrate compliance for specific periods; 2 months, 3 months, and 6 months, respectively, for the first, second, third and subsequent instances of noncompliance. An individual who is not in compliance with the DA&A treatment requirements for 12 consecutive months shall not be eligible for benefits; however, this does not prevent such individuals from reapplying and again becoming eligible for benefits.

SSI disability benefits based on DA&A are also limited to a total of 36 benefit months (beginning March 1995) regardless of whether appropriate treatment is available. Months for which benefits are not due and received do not count towards the 36-month limit.

Preference is required to be given to community based nonprofit social service agencies and Federal, State, or local government agencies in representative payee selection. These agencies when serving as payees may retain the lesser of 10 percent of the monthly benefit or \$51 (indexed to the Consumer Price Index (CPI)) as compensation for their services.

Establishment of one or more referral and monitoring agencies for each State required.

1996 *(Public Law 104-121, enacted March 29.)*

An individual is not considered disabled if drug addiction or alcoholism is a contributing factor material to a finding of disability.

Applies drug addiction and alcoholism representative payee requirements enacted under Public Law 103-296 to disabled SSI recipients who have a drug addiction or alcoholism condition and are incapable of managing their benefits. In addition, these recipients shall be referred to the appropriate State agency administering the State plan for substance abuse treatment.

d. Institutionalization1972 *(Public Law 92-603, enacted October 30.)*

An individual who is an inmate of a public institution is ineligible for SSI payments unless the institution is a facility approved for Medicaid payments and is receiving such payments on behalf of the person. Under *regulations*, the Medicaid payment must represent more than 50 percent of the cost of services provided by the facility to the individual.

Act

- 1976 *(Public Law 94-566, enacted October 20.)*
An inmate of a publicly operated community residence serving no more than 16 persons may, if otherwise eligible, receive SSI.
- 1983 *(Public Law 98-21, enacted April 20.)*
Payments may be made to persons who are residents of public emergency shelters for the homeless for a period of up to 3 months in any 12-month period.
- 1986 *(Public Law 99-643, enacted November 10.)*
Effective July 1, 1987, up to 2 full months of full-rate benefits can be made to recipients of special SSI payments under section 1619 if they reside in certain public medical, psychiatric, or Medicaid facilities, or in private Medicaid facilities.
- 1987 *(Public Law 100-203, enacted December 22.)*
Effective January 1, 1988, payments may be made to persons who are residents of public emergency shelters for the homeless, for up to 6 months in a 9-month period.
Effective July 1, 1988, continued payment of SSI benefits for up to 3 months is permitted, at the rate that was applicable in the month prior to the first full month of institutionalization, for individuals whose expected institutional stay on admission is not likely to exceed 3 months, as certified by a physician, and for whom the receipt of benefits is necessary to maintain living arrangements to which they may return.
- 1996 *(Public Law 104-193, enacted August 22.)*
Effective December 1996, institutionalized children under age 18 whose private health insurance is making payments to the institution may receive no more than \$30 per month in Federal SSI.
- e. Vocational Rehabilitation and Treatment***
- 1972 *(Public Law 92-603, enacted October 30.)*
Blind or disabled individuals receiving Federal SSI benefits who are under age 65, must be referred to the State agency providing services under the Vocational Rehabilitation Act and must accept the services offered. States are reimbursed for the cost of services.
- 1976 *(Public Law 94-566, enacted October 20.)*
Blind or disabled children under age 16 must be referred to the State agency administering crippled children's services or to another agency designated by the State. States are reimbursed for the cost of services.
Of funds provided for these services, at least 90 percent must be used for children under age 6 or for those who have never attended public schools.
- 1980 *(Public Law 96-265, enacted June 9.)*
Disabled SSI recipients who medically recover while enrolled in approved vocational rehabilitation programs of State VR agencies, may continue to receive benefits during their participation in such programs if the Commissioner of Social Security determines that continuation in the program will increase the probability that they leave the rolls permanently.

Act

1981 *(Public Law 97-35, enacted August 13.)*

Funding no longer provided under title XVI for medical, social, developmental and rehabilitative services to disabled or blind children.

Reimbursement for the cost of rehabilitation services will be made if the services result in the recipient's return to work.

1984 *(Public Law 98-460, enacted October 9.)*

Authorizes the reimbursement of States for the cost of VR services provided to individuals who (1) continue to receive benefits after medical recovery because they are participating in a State VR program or (2) refuse, without good cause, to continue in or cooperate with the VR program in which they had been participating.

1987 *(Public Law 100-203, enacted December 22.)*

Provision for continuation of payments to SSI recipients who have medically recovered while enrolled in an approved vocational rehabilitation program extended to blind SSI recipients.

1990 *(Public Law 101-508, enacted November 5.)*

Reimbursement authorized for the cost of vocational rehabilitation services provided in months in which the individual was not receiving Federal SSI payments, if:

- SSI recipient status for Medicaid eligibility purposes was retained under work incentive provisions, or
- Benefits were in suspense¹ status (for a reason other than cessation of disability or blindness), or
- Federally-administered State supplementation was received.

Extends the provision providing for benefit continuation to SSI recipients who medically recover while participating in a State VR program to include SSI recipients participating in a non-State VR program.

f. Continuing Disability Reviews and Eligibility Redeterminations

1994 *(Public Law 103-296, enacted August 15.)*

During each of fiscal years 1996, 1997, and 1998, required SSA to conduct continuing disability reviews (CDRs) on a minimum of 100,000 SSI recipients. In addition, during the same period, required SSA to redetermine the SSI eligibility of at least one-third of all childhood SSI recipients who reach age 18 after April 1995 during the 1-year period following attainment of age 18. Redeterminations for persons turning age 18 could count toward the 100,000 CDR requirement.

¹ Recipients who have lost eligibility for SSI benefits for fewer than 13 consecutive months are in suspended payment status.

Act

1996 *(Public Law 104-193, enacted August 22.)*

Repealed the requirement that SSA redetermine the eligibility of at least one-third of all childhood SSI recipients who reach age 18 after April 1995 during the 1-year period following attainment of age 18.

Requires a CDR:

- At least once every 3 years for SSI recipients under age 18 who are eligible by reason of an impairment which is likely to improve, and
- Not later than 12 months after birth for recipients whose low birth weight is a contributing factor material to the determination of their disability.

Requires eligibility redetermination for all childhood SSI recipients eligible for the month before the month in which they attain age 18.

Requires redetermination of eligibility for children considered disabled based on an individual functional assessment and/or consideration of maladaptive behavior.

Requires the representative payee of a childhood disability recipient whose continuing eligibility is being reviewed to present evidence that the recipient is receiving treatment which is considered medically necessary and available for the condition which was the basis for providing SSI benefits.

1997 *(Public Law 105-33, enacted August 5.)*

Modifies provision of Public Law 104-193 to extend from 12 to 18 months the period for redetermining the disability of children under age 18 under the new childhood disability standard.

Modifies provision of Public Law 104-193 to permit SSA to schedule a CDR for a disabled child for whom low birth weight is a contributing factor material to the determination of disability, at a date after the child's first birthday if the Commissioner determines the impairment is not expected to improve within 12 months of the child's birth.

Modifies provision of Public Law 104-193 to provide SSA the authority to make redeterminations of disabled childhood recipients who attain age 18, more than 1 year after the date such recipient attains age 18.

g. Deeming of Income and Resources

1972 *(Public Law 92-603, enacted October 30.)*

Deeming occurs when the income and resources of certain family members living in the same household with the SSI recipient are considered in determining the amount of the SSI payment. These family members are the ineligible spouse of an adult recipient and the ineligible parents of a child recipient under age 21.

After deduction of personal allocations for the spouse (or parents) and for ineligible children in the home, and after application of income exclusions, any remaining income of the spouse (or parents) is added to the income of the eligible person.

1980 *(Public Law 96-265, enacted June 9.)*

Children aged 18 or older are not subject to parental deeming.

Sponsor's income deemed to an alien for 3 years.

Act

1989 *(Public Law 101-239, enacted December 19.)*

Disabled children receiving home care services under State Medicaid programs, who are ineligible for SSI because of deeming of parental income, and who received SSI benefits limited to \$30 while in a medical treatment facility may receive the \$30 monthly allowance that would be payable if the recipient were institutionalized.

1993 *(Public Law 103-152, enacted November 24.)*

Sponsor-to-alien deeming period extended from 3 years to 5 years, effective January 1, 1994, through September 30, 1996.

Considers an ineligible spouse or parent who is absent from the household due to active military service as a member of the household for deeming purposes.

1996 *(Public Law 104-193, enacted August 22.)*

Deeming of income and resources from an immigration sponsor to a noncitizen continues until citizenship, with exceptions for those who earn, or can be credited with, 40 qualifying quarters of earnings. Effective for those whose sponsor signs a new legally enforceable affidavit of support.

(Public Law 104-208, enacted September 30.)

Amends Public Law 104-193 to add two exceptions to the sponsor-to-alien deeming:

- Provides that if the noncitizen is indigent and would be unable to obtain food and shelter without SSI benefits even after receiving support from the sponsor, then only the amount of income and resources actually provided by the sponsor will be counted for a 12-month period after a determination of indigence; and
- Provides that in certain cases, deeming would not apply for a 12-month period (with some options for extension) if the noncitizens (or their children) have been battered, or subjected to extreme cruelty by family members.

1997 *(Public Law 105-33, enacted August 5.)*

Amends Public Law 104-208 to add an additional exception to sponsor-to-alien deeming when the parent of a noncitizen has been battered or subjected to extreme cruelty by family members.

3. Federal Benefit Payments

a. Windfall Offset

1980 *(Public Law 96-265, enacted June 9.)*

Offset (by reduction of retroactive Social Security benefits) to prevent persons whose initial OASDI payment is retroactive from receiving more in total benefits for the same period than if they were paid the benefits when regularly due.

1984 *(Public Law 98-617, enacted November 8.)*

Offset provision expanded to allow for reduction of retroactive SSI benefits and to apply in cases of OASDI benefit reinstatement.

Act **b. Proration of Benefit**

1982 (*Public Law 97-248, enacted September 3.*)

Benefit for first month of eligibility to be prorated by the number of days in the month for which an application has been filed and there is eligibility.

1996 (*Public Law 104-193, enacted August 22.*)

Changes the effective date of an SSI application to the first day of the month following the date on which the application was filed or on which the individual first becomes eligible, whichever is later. This, in effect, eliminates prorated payments in initial claims.

c. Retrospective Monthly Accounting

1981 (*Public Law 97-35, enacted August 13.*)

Changes the method of computing the SSI benefit to one under which the benefit amount is computed on a monthly basis and is based on income and other characteristics in the previous (or second previous) month.

1984 (*Public Law 98-369, enacted July 18.*)

Changes the method of computing the SSI benefit to persons receiving title II payments. The effect of the increased title II income at the time of the cost-of-living increase is not delayed as it otherwise would be.

1987 (*Public Law 100-203, enacted December 22.*)

Provides an exception to retrospective monthly accounting so that amounts received under Aid to Families With Dependent Children (AFDC), foster care, refugee cash assistance, Cuban-Haitian entrant assistance, or general and child welfare assistance provided by the Bureau of Indian Affairs are counted only in the month received.

1993 (*Public Law 103-66, enacted August 10.*)

Changes the method of computing the SSI benefit to persons receiving the value of the one-third reduction. The effect of the increased value at the time of the cost-of-living increase is not delayed as it otherwise would be. Effective January 1995.

d. Uncashed Checks

1981 (*Public Law 97-35, enacted August 13.*)

States that have Federally-administered supplements to be credited their share of SSI checks that remain unnegotiated for 180 days.

1987 (*Public Law 100-86, enacted August 10.*)

SSI checks now unnegotiable after 1 year. States are credited their share of SSI checks after 1 year rather than 180 days.

e. Rounding of Payment Amounts

1982 (*Public Law 97-248, enacted September 3.*)

Cost-of-living adjustments in the Federal SSI benefit and income eligibility levels are to be rounded to the next lower whole dollar, after the adjustment is calculated. Subsequent cost-of-living adjustments will be calculated on the previous year's benefit standard before rounding.

Act

4. Federal Benefit Rates

Basic benefit standards are used in computing the amount of Federal SSI payments. Benefit levels differ for individuals and couples living in households and for persons in Medicaid institutions. Individuals or couples living in their own households receive the full Federal benefit. If an individual or couple is living in another person's household and receiving support and maintenance there, the Federal benefit is reduced by one-third. The Federal benefit rates for persons in households are increased annually to reflect increases in the cost of living. Legislation affecting the level of Federal benefit rates since the inception of the SSI program are summarized in table V.A1.

Table V.A1.—Federal Benefit Rates Set by Legislation

Act	Living arrangements ¹	Amount ²		Conditions
		Individual	Couple	
1972 ³	Own household ⁴	\$130.00	\$195.00	Was to be effective January 1, 1974; superseded by Public Law 93-233.
1973 ⁵	—	140.00	210.00	Was to be effective January 1, 1974; superseded by Public Law 93-233.
1973 ⁶	—	140.00	210.00	Effective January 1, 1974.
1973 ⁶	—	146.00	219.00	Effective July 1, 1974.
1974 ⁷	—	—	—	Mechanism established for providing cost-of-living adjustments coordinated with earlier legislation applying to OASDI cash benefits. SSI payments to be increased by the same percentage as OASDI benefits and at the same time.
1983 ⁹	—	⁸ 157.70	⁸ 236.60	Effective July 1, 1975.
	—	304.30	456.40	Effective July 1, 1983 (general benefit increase).
	—	⁸ 314.00	⁸ 472.00	Effective January 1, 1984.
1973 ⁵	Increment for "essential person" in household	65.00	—	Was to be effective January 1, 1974. For persons transferred from OAA, AB, or APTD programs who were receiving payments in December 1973 under a State plan that took account of "essential persons" in the household.
1973 ⁶	—	70.00	—	Was to be effective July 1, 1974.
	—	70.00	—	Effective January 1, 1974.
	—	73.00	—	Effective July 1, 1974.
1974 ⁷	—	—	—	Mechanism established for providing cost-of-living adjustments.
1983 ⁹	—	⁸ 78.90	—	Effective July 1, 1975.
	—	152.50	—	Effective July 1, 1983 (general benefit increase).
	—	⁸ 157.00	—	Effective January 1, 1984.
1972 ³	Receiving institutional care covered by Medicaid	25.00	50.00	Effective January 1, 1974. Must be receiving more than 50 percent of the cost of the care from Medicaid (title XIX of the Social Security Act).
1987 ¹⁰	—	30.00	60.00	Effective July 1, 1988. Must be receiving more than 50 percent of the cost of the care from Medicaid (title XIX of the Social Security Act).

¹ For those in another person's household receiving support and maintenance there, the Federal benefit rate is reduced by one-third.

² For those without countable income. These payments are reduced by the amount of countable income of the individual or couple.

³ Public Law 92-603, enacted October 30, 1972.

⁴ Includes persons in private institutions whose care is not provided by Medicaid.

⁵ Public Law 93-66, enacted July 9, 1973.

⁶ Public Law 93-233, enacted December 31, 1973.

⁷ Public Law 93-368, enacted August 7, 1974.

⁸ Subject to automatic provisions, see table IV.A2.

⁹ Public Law 98-21, enacted April 20, 1983.

¹⁰ Public Law 100-203, enacted December 22, 1987.

Act **5. Exclusions from Income**

a. General Exclusions

1972 *(Public Law 92-603, enacted October 30.)*

The first \$60 of earned or unearned income per calendar quarter for an individual or couple; the next \$195 and one-half the remainder of quarterly earned income. Unearned income includes Social Security benefits, other government or private pensions, veterans' benefits, and workers' compensation.

1981 *(Public Law 97-35, enacted August 13.)*

The first \$20 of earned or unearned income per month for an individual or couple; the next \$65 and one-half the remainder of monthly earned income. Unearned income includes Social Security benefits, other government or private pensions, veterans' benefits, and workers' compensation.

b. Special Exclusions

1972 *(Public Law 92-603, enacted October 30.)*

Any amount of tax rebate issued to an individual by any public agency that is based on either real property or food purchase taxes.

Grants, scholarships, and fellowships used to pay tuition and fees at an educational institution.

Income required for achieving an approved self-support plan for blind or disabled persons.

Work expenses of blind persons.

For blind persons transferred from State programs to SSI, income exclusions equal to the maximum amount permitted as of October 1972 under the State programs.

Irregularly or infrequently received income totaling \$60 or less of unearned income and \$30 of earned income in a calendar quarter.

Payment for foster care of ineligible child residing in recipient's home through placement by a public or private nonprofit child care agency.

One-third of any payment received from an absent parent for the support of a child eligible for SSI.

Certain earnings of a blind or disabled child under age 22 regularly attending an educational institution.

State or local government cash payments based on need and designed to supplement SSI payments.

1976 *(Public Law 94-331, enacted June 30.)*

Disaster assistance from income for 9 months and application of one-third reduction for 6 months for certain victims of disasters.

(Public Law 94-566, enacted October 20.)

Any assistance based on need (including vendor payments) made to or on behalf of SSI recipients, which is paid and wholly funded by State or local governments.

The value of assistance provided under certain Federal housing programs.

Act

1977 *(Public Law 95-113, enacted September 29.)*

Food stamps, Federally donated food, and the value of free or reduced price food for women and children under the Child Nutrition Act and National School Lunch Act.

(Public Law 95-171, enacted November 12.)

Provisions for exclusions for support and maintenance under the Disaster Relief and Emergency Assistance Act of 1974 extended on a permanent basis. Effective January 1, 1978.

1980 *(Public Law 96-222, enacted April 1.)*

Earned income tax credit treated as earned income (temporarily excluded from 1975 through 1980).

(Public Law 96-265, enacted June 9.)

Remunerations received in sheltered workshops and work activity centers are considered earned income and qualify for earned income disregards.

Impairment-related work expenses paid by the individual (including cost for attendant care, medical equipment, drugs, and services necessary to control an impairment) are deducted from earnings when determining if an individual is engaging in substantial gainful activity. Impairment-related work expenses are excluded in calculating income for benefit purposes if initial eligibility for benefits exists on the basis of countable income without applying this exclusion.

1981 *(Public Law 97-35, enacted August 13.)*

Modifies provision under which irregularly or infrequently received income is excluded to conform to change from quarterly to monthly accounting; amounts excludable: \$20 or less of unearned income and \$10 of earned income in a month.

1982 *(Public Law 97-377, enacted December 21.)*

From December 18, 1982, to September 30, 1983, certain home energy assistance payments are excluded if a State agency certified that they are based on need.

1983 *(Public Law 97-424, enacted January 6.)*

Support or maintenance assistance (including home energy assistance) provided in kind by a nonprofit organization or in cash or in kind by certain providers of home energy is disregarded if the State determines that the assistance is based on need. Provision is applicable through September 1984.

Certain home energy assistance payments are excluded if a State agency certified that the assistance is based on need. Provision is applicable through June 1985.

1984 *(Public Law 98-369, enacted July 18.)*

The 1983 provisions for support and maintenance and home energy assistance continue to October 1, 1987.

1986 *(Public Law 99-498, enacted October 17.)*

Educational assistance used for educational expenses under the Higher Education Act of 1965 as amended.

Act

1987 *(Public Law 100-203, enacted December 22.)*

The 1983 provisions for support and maintenance and home energy assistance made permanent.

Death payments (for example, proceeds from life insurance) from SSI income determinations to the extent they were spent on last illness and burial.

Modifies the 1982 resource exclusion for burial funds to extend the exclusion to any burial fund of \$1,500 or less maintained separately from all other assets, thereby allowing the interest on the funds to be excluded from income if retained in the fund.

1988 *(Public Law 100-383, enacted August 10.)*

Restitution payments made to Japanese internees and relocated Aleutians.

1989 *(Public Law 101-239, enacted December 19.)*

Interest on agreements representing the purchase of an excluded burial space.

Payments from the Agent Orange Settlement.

Value of a ticket for domestic travel received as a gift and not cashed.

1990 *(Public Law 101-508, enacted November 5.)*

Earned income tax credit (including the child health insurance portion).

Payments received from a State-administered fund established to aid victims of crime.

Impairment-related work expenses excluded from income in determining initial eligibility for benefits.

Payments received as State or local government relocation assistance.

Payments received under the Radiation Exposure Compensation Act.

Redefined as earned income, royalties earned in connection with any publication of the individual's work, and honoraria received for services rendered (previously defined as unearned income).

1993 *(Public Law 103-66, enacted August 10.)*

Hostile fire pay to members of the uniformed services.

Payments received as State or local government relocation assistance made permanent.

1994 *(Public Law 103-286, enacted August 1.)*

Payments to victims of Nazi persecution.

1998 *(Public Law 105-285, enacted October 27.)*

Funds made available to an SSI recipient by a State or local government or a nonprofit organization as part of the Individual Development Account demonstration project.

(Public Law 105-306, enacted October 28.)

In-kind gifts by tax-exempt organizations not converted to cash;

The first \$2,000 annually of cash gifts by tax-exempt organizations to, or for the benefit of, individuals under age 18 with life-threatening conditions.

(Public Law 105-369, enacted November 12.)

Payments made under the Ricky Ray Hemophilia Relief Fund Act of 1998.

Act 6. Limits and Exclusions from Resources

1972 *(Public Law 92-603, enacted October 30.)*

Countable resources limited to \$1,500 or less for an individual and to \$2,250 or less for a couple.

1984 *(Public Law 98-369, enacted July 18.)*

Limit on countable resources raised by \$100 a year for individuals and \$150 a year for couples, beginning in calendar year 1985 through 1989. The respective limits would become \$2,000 for an individual and \$3,000 for a couple in 1989 and thereafter.

a. General Exclusions

1972 *(Public Law 92-603, enacted October 30.)*

A home of reasonable value—established by *regulation* as not exceeding a fair-market value of \$25,000 (\$35,000 in Alaska and Hawaii).

Personal effects and household goods of reasonable value established by *regulation* as not exceeding a total market value of \$1,500.

An automobile of reasonable value—established by *regulation* as not exceeding a market value of \$1,200.

An automobile may be excluded, regardless of value, if the individual's household uses it for employment or medical treatment, or if it is modified to be operated by or for transportation of a handicapped person.

Life insurance with face value of \$1,500 or less.

1976 *(Public Law 94-569, enacted October 20.)*

The recipient's home, regardless of value, is excluded from consideration in determining resources.

1977 *(Public Law 95-171, enacted November 12.)*

Assistance received under the Disaster Relief and Emergency Assistance Act of 1974 for 9 months following receipt.

1979 Reasonable value for an automobile increased by *regulation* to \$4,500 of current-market value; personal goods and household effects increased to \$2,000 of equity value.

1980 *(Public Law 96-611, enacted December 28.)*

Assets transferred for less than fair-market value for the purpose of establishing eligibility for benefits under the Social Security Act are counted as resources for 24 months after transfer.

1982 *(Public Law 97-248, enacted September 3.)*

The value, within prescribed limits, of a burial space for the recipient, spouse, and immediate family is excluded. In addition, \$1,500 each (less the value of already excluded life insurance and any amount in an irrevocable burial arrangement) may be set aside for the burial of the recipient and spouse, if held in separately identifiable burial funds and if inclusion of any of the burial funds in countable resources would cause the resource limit to be exceeded.

Act

- 1984 *(Public Law 98-369, enacted July 18.)*
The unspent portion of any retroactive title II or title XVI payment is excluded for 6 months following its receipt, and the individual must be given written notice of the time limit on the exclusion.
- 1985 *Regulations* permitted exclusion, regardless of value, of an automobile needed for essential transportation or modified for a handicapped person. The \$4,500 current-market value limit applies only if no automobile could be excluded based on the nature of its use.
- 1987 *(Public Law 100-203, enacted December 22.)*
Provides for suspension of the 1980 transfer of assets provision, in any month that it is determined that undue hardship would result.
Real property that cannot be sold because it is jointly owned; its sale would cause the other owner(s) undue hardship due to loss of housing; its sale is barred by a legal impediment; or, the owner's reasonable efforts to sell have been unsuccessful.
Temporarily extends the 1984 exclusion of retroactive title II and title XVI benefits from 6 months to 9 months (the longer exclusion applies to benefits paid in fiscal years 1988 and 1989).
Allows the exclusion of burial funds, as described above, regardless of whether or not counting any portion of those funds would result in excess resources.
- 1988 *(Public Law 100-360, enacted July 1.)*
Removes the transfer-of-assets penalty for transfers made July 1, 1988, or later.
(Public Law 100-707, enacted November 23.)
Removes the time limit for exclusion of disaster assistance.
- b. Special Exclusions***
- 1972 *(Public Law 92-603, enacted October 30.)*
Assets of a blind or disabled individual that are necessary to an approved plan of self-support.
Tools and other property essential to self-support (PESS), within reasonable limits. Shares of nonnegotiable stock in regional or village corporations held by natives of Alaska.
For persons transferred from State programs to SSI, resource exclusions equal to the maximum amount permitted as of October 1972 under the State program.
- 1988 *(Public Law 100-383, enacted August 10.)*
Restitution payments made to Japanese internees and relocated Aleutians.
- 1989 *(Public Law 101-239, enacted December 19.)*
Specifies that no limitation can be placed on property essential to self-support used in a trade or business, or by an individual as an employee (including the tools of a tradesperson and the machinery and livestock of a farmer).
Payments from the Agent Orange Settlement.

Act

- 1990 *(Public Law 101-508, enacted November 5.)*
 Earned income tax credit excluded for the month following the month the credit is received.
 Payments received from a State-administered fund established to aid victims of crime excluded for a 9-month period. Individual not required to file for such benefits.
 Payments received as State or local government relocation assistance excluded for a 9-month period. (The provision expired 3 years after its effective date.)
 Payments received under the Radiation Exposure Compensation Act.
- 1993 *(Public Law 103-66, enacted August 10.)*
 Made permanent the 9-month exclusion of payments received as State or local government relocation assistance.
- 1994 *(Public Law 103-286, enacted August 1.)*
 Payments to victims of Nazi persecution.
- 1996 *(Public Law 104-193, enacted August 22.)*
 Dedicated financial institution accounts required to be established for large past-due benefits for disabled individuals under age 18 with a representative payee.
- 1998 *(Public Law 105-285, enacted October 27.)*
 Funds made available to an SSI recipient by a State or local government or a nonprofit organization as part of the Individual Development Account demonstration project.
(Public Law 105-306, enacted October 28.)
 In-kind gifts by tax-exempt organizations not converted to cash;
 The first \$2,000 annually of cash gifts by tax-exempt organizations to, or for the benefit of, individuals under age 18 with life-threatening conditions.
(Public Law 105-369, enacted November 12.)
 Payments made under the Ricky Ray Hemophilia Relief Fund Act of 1998.

7. Presumptive and Emergency Payments and Interim Assistance Reimbursement

a. Presumptive Payments

- 1972 *(Public Law 92-603, enacted October 30.)*
 A person applying on the basis of disability who meets all other criteria of eligibility, and is likely to be disabled, may receive payments for 3 months pending the disability determination.
- 1976 *(Public Law 94-569, enacted October 20.)*
 Presumptive payment provision was extended to persons applying on the basis of blindness.

Act

1990 *(Public Law 101-508, enacted November 5.)*

Extends the period for receipt of payments to 6 months.

b. Emergency Advance Payments

1972 *(Public Law 92-603, enacted October 30.)*

Any applicant who can be presumed to meet the criteria of eligibility, but has not yet been determined eligible, and who is faced with a financial emergency may receive an immediate cash advance of up to \$100.

1987 *(Public Law 100-203, enacted December 22.)*

Increases the maximum emergency advance payment amount to the maximum amount of the regular Federal SSI monthly benefit rate, plus, if any, the Federally-administered State supplementary payment.

1996 *(Public Law 104-193, enacted August 22.)*

May be made if applicants have a financial emergency in the month of application before the month that all eligibility requirements are met. These advance payments must be repaid within 6 months.

c. Interim Assistance Reimbursement

1974 *(Public Law 93-368, enacted August 7.)*

SSA may enter into agreements with the States to repay them directly for assistance payments made to an SSI applicant while his/her claim is being adjudicated. The repayment is made from the first check due to the individual. This legislation expires June 30, 1976.

1976 *(Public Law 94-365, enacted July 14.)*

The authority to repay the State for interim assistance was made permanent.

1987 *(Public Law 100-203, enacted December 22.)*

Extends interim assistance reimbursement to situations in which payments are made by States or political subdivisions to persons whose SSI payments were suspended or terminated and who subsequently are found to be eligible for such benefits. Also clarifies that the payment from which the interim assistance reimbursement is paid must be the first payment of benefits relating to the interim period.

8. Medicaid Eligibility

1972 *(Public Law 92-603, enacted October 30.)*

States can provide Medicaid coverage to all recipients of SSI payments. Alternatively, they could limit coverage by applying more restrictive criteria from the State Medicaid plan in effect on January 1, 1972.

States can accept SSA determination of eligibility, or make their own determination.

1976 *(Public Law 94-566, enacted October 20.)*

Preserves the Medicaid eligibility of recipients who become ineligible for cash SSI payments due to the cost-of-living increases in Social Security benefits.

Act

1980 *(Public Law 96-265, enacted June 9.)*

Blind or disabled recipients under age 65 no longer eligible for either regular or special SSI payments because of their earnings may retain SSI recipient status for Medicaid eligibility purposes under the following conditions: (1) they continue to have the disabling impairment, (2) they meet all nondisability eligibility criteria except for earned income, (3) they would be seriously inhibited from continuing employment without Medicaid services, and (4) their earnings are insufficient to provide a reasonable equivalent of SSI payments and Medicaid.

In States that do not provide Medicaid coverage categorically to all SSI recipients, qualification for Medicaid benefits depends on the State's specific eligibility and program requirements.

The Medicaid provision of the 1980 legislation was in effect from January 1, 1981, through December 31, 1983. Under a 1-year demonstration project, beginning January 1, 1984, this provision was continued for persons already eligible for regular or special SSI payments or for retention of Medicaid eligibility.

1984 *(Public Law 98-460, enacted October 9.)*

Medicaid provision of 1980 legislation extended through June 30, 1987 (retroactive to January 1, 1984).

1986 *(Public Law 99-272, enacted April 7.)*

Restored Medicaid eligibility for some disabled widow(er)s who became ineligible for SSI due to a change in the Social Security disabled widow(er)s benefits reduction factor.

Medicaid protection for disabled widow(er)s whose title II benefits increased in 1984 because of a change in the actuarial reduction formula.

(Public Law 99-643, enacted November 10.)

The SSI recipient status for Medicaid eligibility provision of the 1980 amendments was made permanent.

Effective July 1, 1987, certain expenses that would be lost if SSI eligibility was discontinued may be excluded from earnings when determining sufficiency of earnings to establish SSI recipient status eligibility for Medicaid purposes:

- Impairment-related work expenses of disabled persons,
- Work expenses of blind persons,
- Income required for achieving an approved self-support plan, and
- The value of publicly funded attendant care services.

Effective July 1, 1987, preserves the Medicaid eligibility of recipients who become ineligible for SSI payments because of entitlement to, or an increase in, Social Security disabled adult child benefits on or after the effective date.

Effective July 1, 1987, requires all States to provide Medicaid coverage for recipients in special SSI status (either receiving special SSI payments or in the special recipient status described for 1980) if they received Medicaid coverage the month before special SSI status.

Act

1987 *(Public Law 100-203, enacted December 22.)*

Effective July 1, 1988, restores or preserves the Medicaid eligibility of persons aged 60 or older who are eligible for Social Security benefits as widows or widowers (but not eligible for Medicare) and who become ineligible for SSI payments or State supplementation because of the receipt of old-age or survivors insurance benefits under Social Security.

1990 *(Public Law 101-508, enacted November 5.)*

Age limit for retention of SSI recipient status for Medicaid eligibility purposes (1980 and subsequent work incentive provisions, above) eliminated.

Preserves the Medicaid eligibility of SSI recipients who become ineligible for payments when they become entitled to Social Security disabled widow(er)s benefits following the revised definition used for their disability.

9. State Supplementation

1972 *(Public Law 92-603, enacted October 30.)*

States were given the option of providing supplementary payments both to recipients transferred from the State program and to those newly eligible for SSI.

States may either administer the payments themselves or have the Social Security Administration make payments on their behalf. When State supplementary payments are Federally-administered, the Social Security Administration makes eligibility and payment determinations for the State and assumes administrative costs.

“Hold harmless” protection, which limits a State’s fiscal liability to its share of OAA, AB, and APTD expenditures for calendar year 1972, was provided to States electing Federal administration of their supplementary plans. This provision applies only to supplementary payments that do not, on the average, exceed a State’s “adjusted payment level.” (The adjusted payment level is the average of the payments that individuals with no other income received in January 1972; it may include the bonus value of food stamps. Adjustments are provided for payments that had been below State standards.)

1973 *(Public Law 93-66, enacted July 9.)*

Provision was made for mandatory State supplementation as assurance against reduction of income for persons who received State assistance in December 1973 and were transferred to SSI. These supplementary payments must equal the difference between (1) the amount of the State assistance payment that the individual received in December 1973 plus other income and (2) his/her Federal SSI payment plus other income.

1976 *(Public Law 94-585, enacted October 21.)*

After June 30, 1977, when the Federal SSI payment level is increased by a cost-of-living increase, such an increase will be disregarded in calculating the “hold harmless” amount.

Requires States to maintain State supplementation payments at the level of December 1976 (“maintenance of payments”) or to continue to pay in supplements the same total annual amounts (“maintenance of expenditures”) when the Federal SSI payment level is increased and thereby pass through any increases in Federal benefits without reducing State supplements.

Act

1982 *(Public Law 97-248, enacted September 3.)*

Began a 3-year phase out of “hold harmless” protection. Effective with fiscal year 1985, Wisconsin and Hawaii (the only remaining “hold harmless” States) assumed the full cost of their supplementary payments.

1983 *(Public Law 98-21, enacted April 20.)*

Federal pass-through law is adjusted (1) by substituting the State supplementary payment levels in effect in March 1983 for those in effect in December 1976 as the levels that States must maintain in complying with the pass-through requirements, and (2) with regard to the \$20 (individual) and \$30 (couple) increase in the Federal SSI standard in July 1983, by requiring States to pass through only as much as would have been required if the SSI cost-of-living adjustment had been made in July 1983.

1987 *(Public Law 100-203, enacted December 22.)*

Provided for Federal administration of State supplements to residents of medical institutions.

Provided for required pass through of \$5 increase in Federal rate for persons whose care in institutions is paid in substantial part by Medicaid.

1993 *(Public Law 103-66, enacted August 10.)*

The Omnibus Budget Reconciliation Act (OBRA) of 1993 requires States to pay fees for Federal administration of their State supplementation payments. The fees are \$1.67 for each monthly supplementary payment in fiscal year 1994, \$3.33 in fiscal year 1995, and \$5.00 in fiscal year 1996. Fees for subsequent fiscal years will be \$5.00 or another amount determined by the Commissioner to be appropriate. The Commissioner may charge the States additional fees for services they request that are beyond the level customarily provided in administering State supplementary payments.

1997 *(Public Law 105-33, enacted August 5.)*

Revised the schedule of per-check fees for Federal administration of State supplementation for fiscal years 1998 (\$6.20) through 2002 (\$8.50) and provided a formula for determining the fee beyond fiscal year 2002.

B. INCOME AND RESOURCE EXCLUSIONS

1. Earned Income Exclusions

- Any refund of Federal income taxes received under section 32 of the Internal Revenue Code (relating to earned income tax credit) and any payment received under section 3507 of the Internal Revenue Code (relating to advance payment of earned income tax credit);
- Up to \$10 of earned income in a month if it is infrequent or irregular, that is, if it is received only once in a calendar quarter from a single source or if its receipt cannot reasonably be expected. (If the total amount of the infrequent or irregular income exceeds \$10, this exclusion cannot be used.);
- Up to \$400 per month but not more than \$1,620 in a calendar year received by a blind or disabled child who is a student regularly attending school;
- Any portion of the monthly \$20 exclusion for unearned income that has not been used;
- \$65 of earned income in a month;
- Amounts used to pay impairment-related work expenses if the recipient is disabled (but not blind) and under age 65 or is disabled (but not blind) and receiving SSI (or disability payments under a former State plan) before age 65;
- One-half of remaining earned income in a month;
- Earned income used to meet any expenses reasonably attributable to the earning of the income if the recipient is blind and under age 65 or if he/she received SSI as a blind person prior to age 65;
- Any earned income received and used to fulfill an approved plan to achieve self-support if the recipient is blind or disabled and under age 65 or is blind or disabled and received SSI as a blind or disabled individual in the month before he/she attained age 65; and
- Some Federal laws other than the Social Security Act provide for the exclusion of earned income for SSI purposes. For the most part, the income received under these laws relates to assistance received in the form of food, housing and utilities, educational and employment benefits or benefits derived from being a member of a Native American tribe. A complete list of laws which exclude earned income under SSI can be found in the Federal Regulations Appendix to Subpart K 20 CFR 416.

2. Unearned Income Exclusions

- Any public agency's refund of taxes on real property or food;
- Assistance based on need which is wholly funded by a State or one of its political subdivisions. This includes State supplementation of Federal SSI benefits but does not include payments under a Federal/State grant program such as Temporary Assistance for Needy Families;
- Any portion of a grant, scholarship or fellowship used for paying tuition, fees or other necessary educational expenses. Portions set aside for food, clothing or shelter are counted;
- Food raised by a household if it is consumed by that household;

- Assistance received under the Disaster Relief and Emergency Assistance Act and assistance provided under any Federal statute because of a catastrophe which the President of the United States declares to be a major disaster;
- Up to \$20 of unearned income in a month if it is infrequent or irregular; that is, if a type of unearned income is received only once during a calendar quarter from a single source or if it cannot reasonably be expected;
- Any unearned income received and used to fulfill an approved plan to achieve self-support if the recipient is blind or disabled and under age 65 or is blind or disabled and received SSI as a blind or disabled individual in the month before he/she attained age 65;
- Periodic payments made by a State under a program established before July 1, 1973, and based solely on the recipient's length of residence and attainment of age 65;
- Payments for providing foster care to an ineligible child who was placed in the recipient's home by a public or private nonprofit child placement or child care agency;
- Any interest earned on excluded burial funds and any appreciation in the value of an excluded burial arrangement which are left to accumulate and become part of the separately identifiable burial fund;
- Certain support and maintenance assistance provided in the form of home energy assistance;
- One-third of support payments made by an absent parent if the recipient is a child;
- The first \$20 of unearned income in a month other than income in the form of in-kind support and maintenance received in the household of another and income based on need;
- The value of any assistance paid with respect to a dwelling unit under the United States Housing Act of 1937, the National Housing Act, section 101 of the Housing and Urban Development Act of 1965, title V of the Housing Act of 1949, or section 202(h) of the Housing Act of 1959;
- Any interest accrued on and left to accumulate as part of the value of an excluded burial space purchase agreement (after April 1, 1990);
- The value of any commercial transportation ticket, for travel by the recipient or his/her spouse among the 50 States, the District of Columbia, Puerto Rico, the Virgin Islands, Guam, American Samoa and the Northern Mariana Islands, which is received as a gift and is not converted to cash;
- Payments received from a fund established by a State to aid victims of crime;
- Relocation assistance provided by a State or local government that is comparable to assistance provided under title II of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970;
- Hostile fire pay received from one of the uniformed services pursuant to 37 U.S.C. 310;
- Interest or other earnings on a dedicated account excluded from resources;
- In-kind gifts not converted to cash and the first \$2,000 annually of cash gifts made by tax-exempt organizations, such as the Make-A-Wish Foundation, to, or for the benefit of, individuals under age 18 with life-threatening conditions;
- Payments made under the Ricky Ray Hemophilia Relief Fund Act of 1998;

- Deposits made by sponsoring nonprofit organization or State or local government into an Individual Development Account (IDA) under the “Assets for Independence Act” IDA demonstration project; and
- Unearned income excluded by other Federal laws. See Federal Regulations Appendix to Subpart K 20 CFR 416.

3. Resource Exclusions

- The home (including the land appertaining thereto);
- Household goods and personal effects to the extent that their total value does not exceed \$2,000;
- An automobile may be totally excluded if: (1) it is necessary for employment; (2) it is necessary for the medical treatment of a specific or regular medical problem; (3) it is modified for the operation by or transportation of, a handicapped individual; or (4) it is necessary to perform essential daily activities. If the automobile does not meet any of the above requirements, it may be excluded to the extent that its current-market value does not exceed \$4,500;
- Property of a trade or business which is essential to the means of self-support;
- Nonbusiness property which is essential to the means of self-support;
- Resources of a blind or disabled individual which are necessary to fulfill an approved plan for achieving self-support;
- Stock in regional or village corporations held by natives of Alaska during the 20-year period in which the stock is inalienable pursuant to the Alaska Native Claims Settlement Act;
- Life insurance owned by an individual (and spouse, if any) provided that all life insurance on any person does not exceed a face value of \$1,500;
- Restricted allotted Indian lands;
- Disaster relief assistance;
- Burial spaces and certain funds up to \$1,500 for burial expenses;
- Title XVI or title II retroactive payments (for 6 months following receipt);
- Housing assistance;
- Refunds of Federal income taxes and advances made by an employer relating to an earned income tax credit, (for the month following receipt);
- Payments received as compensation for expenses incurred or losses suffered as a result of a crime (for 9 months);
- Relocation assistance from a State or local government (for 9 months);
- Dedicated financial institution accounts for disabled children;
- In-kind gifts not converted to cash and the first \$2,000 annually of cash gifts made by tax-exempt organizations, such as the Make-A-Wish Foundation, to, or for the benefit of, individuals under 18 with life-threatening conditions;

- Payments made under the Ricky Ray Hemophilia Relief Fund Act of 1998;
- Amounts placed in an Individual Development Account (IDA) by a sponsoring nonprofit organization or State or local government under the “Assets for Independence” IDA demonstration project (Deposits made by the individual owning the account are not excluded.); and
- Payments or benefits provided under a Federal statute other than title XVI of the Social Security Act where exclusion is provided by such statute.

C. HISTORICAL ALLOWANCE DATA

At the end of 1998, 80 percent of SSI recipients were receiving benefits based on a determination of disability. Claims are filed at a local Social Security office and claims requiring an evaluation of disability are sent to the State Disability Determination Service (DDS) for a decision. Initial DDS decisions that are unfavorable to the applicant may be appealed to the DDS for a reconsideration of that initial denial. Persons denied at the reconsideration level may apply to the Office of Hearings and Appeals (OHA) for a hearing before an Administrative Law Judge (ALJ), and if dissatisfied with the hearing decision may request a review by the Appeals Council. Those dissatisfied with the Appeals Council's action may seek further relief via the Federal court system.

Such a process of application and appeal can, in some cases, span several years. However, before 1993, the only data available on the disability determination process resided in files compiled at each separate stage of the determination process and only captured various point-in-time snapshots of this process. A complete picture of the disability determination process can be fully understood only by compiling a longitudinal database from administrative records at all levels of appeal. Beginning in 1993, such a longitudinal database (the "Disability Research File") was constructed by the Division of Disability Program Information and Studies within SSA's Office of Disability to assist the agency in understanding and managing this process. In the process of constructing this database, some problems were encountered due to inconsistencies in the data collected from all the respective levels of appeal. The following sections present some additional details and qualifications essential to a complete understanding of the resulting data. Following these technical notes is a table based on the Disability Research File showing the latest available summary of results on disability determinations under title XVI.

1. Technical Notes on the Disability Research File

Methods used to build the title XVI Disability Research File—The "base" file for the title XVI research file is the Supplemental Security Record (SSR). This "base" file is matched against records from various other administrative sources, including transactions from the disability determination (SSA-831) files, Social Security number identification records and earnings data, and OHA case control data.

The process used to build this research file is cumbersome, involving more than 150 steps, and generally requiring about 4 months to complete. Much of this complexity flows from the fact that the file is assembled based on filing date cohorts, even though many of the source files do not contain a filing date. The three most recent calendar year cohorts are completely reassembled from the basic data sources. Older calendar year cohorts are updated to reflect activity since the last time the file was built. Since the process is so time consuming, the research file is updated only annually (usually beginning in July). Therefore, research file data are not yet available for claims filed in 1998.

Methods used for estimating results (through February 1999) for claims filed in 1998—Although decision counts are available for 1998 filers (from many of the "source" files), those counts do not translate directly into the claims/appeals counts included in the following table, due to the consolidation of multiple transactions (and application of claims-based tolerance rules) which occurs when the research file is built.

To prepare preliminary estimates of results (through February 1999) for 1998 filers, we started from the latest available transaction data, such as the SSA-831 data, and took into account recent years' experience of the relationship between corresponding earlier transaction data and the resulting claims/appeals data in completed research files. We also considered claims counts from an extract file from the SSR. While we believe that the methods used are reasonable, it must be emphasized that the resulting estimates may prove to be of limited reliability, especially in light of the fact that the estimates give results only through February 1999, whereas the final research files will reflect information through June 1999. Actual data for 1998 will be available to replace these estimates in the 2000 Annual Report.

2. General Considerations

Some general points that apply to tables V.C1 and V.C2 are as follows:

- Data for 1988-97 filers are as of June 1998. Results for those years' filers have been updated to include OHA results through October 1998.
- Data for 1998 filers are preliminary estimates as of February 1999, and reflect larger numbers of claims still pending. February 1999 data on number of claims appealed may be too low because larger numbers of claimants are still within the period allowed for filing an appeal (i.e., larger numbers of recently denied claimants who have not yet filed an appeal may appeal before the time limit runs out).
- Remaining appeals will affect the results. Experience shows that there is a lower allowance rate on claims that have been pending in OHA a year or more, than on previously decided appeals.
- Computations of overall allowance rates exclude cases which have been appealed and for which a decision is pending.

Table V.C1.—Disabled Adult Claims: Disposition of Applications for SSI Disability Benefits by Year of Filing ¹ and Level of Decision

Calendar year of filing	Total claims filed	Initial decisions						
		Pending	Allowances		Denials	Appeals to reconsideration		
			Number	Percent ²		Number	Percent ³	
1988	946,603	—	272,204	28.8	674,399	265,151	39.3	
1989	969,218	—	292,044	30.1	677,174	274,823	40.6	
1990	1,099,805	—	347,823	31.6	751,982	320,207	42.6	
1991	1,288,329	—	415,336	32.2	872,993	383,667	43.9	
1992	1,415,624	—	436,888	30.9	978,736	433,244	44.3	
1993	1,503,276	—	416,300	27.7	1,086,976	485,164	44.6	
1994	1,436,958	—	353,995	24.6	1,082,963	482,533	44.6	
1995	1,318,416	—	323,084	24.5	995,332	439,166	44.1	
1996	1,244,478	—	304,996	24.5	939,482	400,823	42.7	
1997	1,102,995	11,094	288,350	26.4	803,551	334,842	41.7	
1998	1,085,000	178,100	287,300	31.7	619,600	225,500	36.4	

Calendar year of filing	Reconsiderations						Appeals beyond reconsideration ⁴			
	Pending	Allowances		Denials	Appeals to beyond reconsideration		Pending ⁶	Allowances		
		Number	Percent ²		Number ⁵	Percent ³		Number	Percent ⁷	Denials ⁸
1988	—	38,385	14.5	226,766	140,663	62.0	—	82,414	58.6	58,249
1989	—	43,505	15.8	231,318	146,079	63.2	—	90,167	61.7	55,912
1990	—	52,055	16.3	268,152	175,501	65.4	—	109,088	62.2	66,413
1991	—	59,158	15.4	324,509	221,642	68.3	—	139,625	63.0	82,017
1992	—	58,819	13.6	374,425	261,846	69.9	2,166	158,732	61.1	100,948
1993	—	57,939	11.9	427,225	297,059	69.5	6,060	168,886	58.0	122,113
1994	—	55,830	11.6	426,703	295,692	69.3	12,880	160,719	56.8	122,093
1995	—	51,703	11.8	387,463	266,214	68.7	27,838	135,336	56.8	103,040
1996	—	48,254	12.0	352,569	239,313	67.9	52,652	112,455	60.2	74,206
1997	15,923	36,074	11.3	282,845	197,655	69.9	106,300	58,973	64.6	32,382
1998	53,600	24,200	14.1	147,700	64,410	43.6	55,070	6,760	72.4	2,580

Calendar year of filing	Selected summary totals					
	Allowances at all levels		Allowances at all appeal levels		Denials after all appeals	
	Number	Percent ⁹	Number	Percent ¹⁰	Number	Percent ¹⁰
1988	393,003	41.5	120,799	17.9	553,600	82.1
1989	425,716	43.9	133,672	19.7	543,502	80.3
1990	508,966	46.3	161,143	21.4	590,839	78.6
1991	614,119	47.7	198,783	22.8	674,210	77.2
1992	654,439	46.3	217,551	22.2	759,019	77.6
1993	643,125	43.0	226,825	20.9	854,091	78.6
1994	570,544	40.1	216,549	20.0	853,534	78.8
1995	510,123	39.5	187,039	18.8	780,455	78.4
1996	465,705	39.1	160,709	17.1	726,121	77.3
1997	383,397	39.5	95,047	11.8	586,281	73.0
1998	318,260	39.9	30,960	5.0	479,970	77.5

¹ Data for claims filed in 1988-97 reflect results as of June 1998. The numbers of total claims filed for 1996 and 1997 are subject to change. Data for claims filed in 1998 are preliminary estimates as of February 1999. The ultimate number of allowances and denials are subject to change until all initial decisions have been completed and all appeals are final.

² Percentage of decisions at this level.

³ Percentage of denials at this level appealed to next level.

⁴ Includes cases appealed to the Office of Hearings and Appeals, as well as beyond OHA to the Federal courts.

⁵ Number of persons appealing beyond the reconsideration level.

⁶ Includes cases remanded to OHA from the Federal courts.

⁷ Percentage of decisions at this level. For years where decisions are still pending, the preliminary percentage shown will ultimately be lower as all cases are processed. This is true since allowances are generally processed more quickly than denials.

⁸ Includes denied claims where the final administrative action was a dismissal of an appeal request (e.g., the appeal was not filed timely or the applicant failed to appear at the scheduled hearing).

⁹ Percentage of initial decisions excluding appealed cases pending decisions.

¹⁰ Percentage of initial denials.

Table V.C2.—Disabled Child Claims: Disposition of Applications for SSI Disability Benefits by Year of Filing ¹ and Level of Decision

Calendar year of filing	Total claims filed	Initial decisions					
		Pending	Allowances		Denials	Appeals to reconsideration	
			Number	Percent ²		Number	Percent ³
1991	250,962	—	148,220	59.1	102,742	24,702	24.0
1992	372,971	—	189,079	50.7	183,892	49,297	26.8
1993	496,131	—	212,268	42.8	283,863	75,967	26.8
1994	525,013	—	172,219	32.8	352,794	92,093	26.1
1995	487,730	—	144,231	29.6	343,499	86,841	25.3
1996	454,240	—	126,842	27.9	327,398	74,126	22.6
1997	331,935	5,287	104,882	32.1	221,766	47,599	21.5
1998	330,800	57,400	111,000	40.6	162,400	31,010	19.1

Calendar year of filing	Reconsiderations						Appeals beyond reconsideration ⁴			
	Pending	Allowances		Denials	Appeals to beyond reconsideration		Pending ⁶	Allowances		
		Number	Percent ²		Number ⁵	Percent ³		Number	Percent ⁷	Denials ⁸
1991	—	5,605	22.7	19,097	9,190	48.1	—	3,881	42.2	5,309
1992	—	9,463	19.2	39,834	19,889	49.9	201	7,508	38.1	12,180
1993	—	11,338	14.9	64,629	31,476	48.7	798	10,551	34.4	20,127
1994	—	11,332	12.3	80,761	38,678	47.9	2,455	12,627	34.9	23,596
1995	—	10,287	11.8	76,554	35,774	46.7	5,462	10,043	33.1	20,269
1996	—	9,007	12.2	65,119	27,475	42.2	8,169	6,762	35.0	12,544
1997	3,137	6,457	14.5	38,005	17,479	46.0	10,741	2,733	40.6	4,005
1998	7,300	3,240	13.7	20,470	5,500	26.9	4,913	211	35.9	376

Calendar year of filing	Selected summary totals					
	Allowances at all levels		Allowances at all appeal levels		Denials after all appeals	
	Number	Percent ⁹	Number	Percent ¹⁰	Number	Percent ¹⁰
1991	157,706	62.8	9,486	9.2	93,256	90.8
1992	206,050	55.3	16,971	9.2	166,720	90.7
1993	234,157	47.3	21,889	7.7	261,176	92.0
1994	196,178	37.5	23,959	6.8	326,380	92.5
1995	164,561	34.1	20,330	5.9	317,707	92.5
1996	142,611	32.0	15,769	4.8	303,460	92.7
1997	114,072	36.5	9,190	4.1	198,698	89.6
1998	114,451	43.8	3,451	2.1	146,736	90.4

¹ Data for claims filed in 1991-97 reflect results as of June 1998. The numbers of total claims filed for 1996 and 1997 are subject to change. Data for claims filed in 1998 are preliminary estimates as of February 1999. The ultimate number of allowances and denials are subject to change until all initial decisions have been completed and all appeals are final.

² Percentage of decisions at this level.

³ Percentage of denials at this level appealed to next level.

⁴ Includes cases appealed to the Office of Hearings and Appeals, as well as beyond OHA to the Federal courts.

⁵ Number of persons appealing beyond the reconsideration level.

⁶ Includes cases remanded to OHA from the Federal courts.

⁷ Percentage of decisions at this level. For years where decisions are still pending, the preliminary percentage shown will ultimately be lower as all cases are processed. This is true since allowances are generally processed more quickly than denials.

⁸ Includes denied claims where the final administrative action was a dismissal of an appeal request (e.g., the appeal was not filed timely or the applicant failed to appear at the scheduled hearing).

⁹ Percentage of initial decisions excluding appealed cases pending decisions.

¹⁰ Percentage of initial denials.

D. HISTORICAL REDETERMINATION AND CONTINUING DISABILITY REVIEW DATA**1. Redeterminations**

Redeterminations are reviews of all of the nonmedical factors of eligibility to determine whether a recipient is still eligible for SSI and still receiving the correct payment amount. There are two types of redeterminations: scheduled and unscheduled. Scheduled redeterminations are selected annually or once every 6 years depending on the likelihood of payment error in the case. Except for certain institutionalized individuals, all recipients are periodically scheduled for a redetermination. Unscheduled redeterminations are completed on an as needed basis when recipients report, or we discover, certain changes in circumstances that could affect the continuing SSI payment amount. The numbers of redeterminations completed are subject to some year-to-year fluctuation because of variation in the numbers of unscheduled redeterminations completed and in the numbers of scheduled redeterminations that were selected but not completed during the fiscal year due to the impact of other workload requirements on the field offices. When redeterminations cannot be completed in the fiscal year scheduled, they are carried over into the next fiscal year. Table V.D1 provides historical data on numbers of redeterminations completed by fiscal year.

Table V.D1.—SSI Redeterminations Completed, Fiscal Years 1986-98
[In thousands]

Fiscal year	Number of redeterminations
1986	2,278
1987	2,244
1988	1,997
1989	2,226
1990	2,103
1991	2,138
1992	2,321
1993	2,223
1994	¹ 1,900
1995	² 1,597
1996	1,763
1997	1,773
1998	1,853

¹ Decrease in number of redeterminations completed in fiscal year 1994 due to low-error profile redeterminations not being completed from January through September 1994.

² Effective fiscal year 1995, approximately 200,000 fewer redeterminations were selected annually due to a change from a 3-year to a 6-year redetermination cycle for low-error profile cases.

During periods between scheduled redeterminations, SSA uses the limited issue process to detect situations that have the potential to affect the continuing eligibility of SSI recipients and SSI payment amounts. SSA conducts periodic computer matches between its own systems and the systems of other Federal and State agencies to determine if the income and resources information on SSI recipients' records is in conflict with data obtained from the other systems. Matches detecting conflicting information usually result in the posting of an identifier to the Supplemental Security Record of the SSI recipient. The case is then selected and scheduled for a field office review of the issue for which the indicator was posted. SSA develops over 600,000 limited issues annually.

2. Continuing Disability Reviews

Following enactment of the Social Security Disability Amendments of 1980, section 221(i) of the Social Security Act generally requires SSA to review the continuing eligibility of title II disabled beneficiaries at least every 3 years. A similar requirement was not put in place at that time for disabled

title XVI recipients. Although the Committee on Finance of the Senate stated in its report on this legislation that the same continuing disability reviews (CDR) procedures should be applied with respect to both the title II and title XVI programs, title XVI was not amended to accomplish this. In 1994 and again in 1996 legislation was enacted adding some mandates for the performance of CDRs under the SSI program.

Public Law 103-296 specified that during each of fiscal years 1996, 1997, and 1998, SSA was required to conduct CDRs on a minimum of 100,000 SSI recipients. In addition, during the same period, SSA was required to redetermine the SSI eligibility of at least one-third of all SSI child recipients who reach age 18 after April 1995 during the 1-year period following attainment of age 18. Such redeterminations for persons turning age 18 could count toward the 100,000 CDR requirement.

Public Law 104-193 extended the requirement of redetermination of SSI eligibility to all SSI child recipients who reach age 18, with such redetermination being based on an adult eligibility criteria. This law also added the requirement that a CDR be performed:

- At least once every 3 years for SSI recipients under age 18 who are eligible by reason of an impairment which is likely to improve, and
- Not later than 12 months after birth for recipients whose low birth weight is a contributing factor material to the determination of their disability.

Public Law 105-33 gave SSA some additional flexibility in the scheduling of these categories of CDRs.

In order to handle the large CDR workload mandated under these various provisions, SSA developed, beginning in 1993, a process by which certain title II cases scheduled for a CDR would be screened using the results of a profiling process which included a mailer interview for some cases. In 1996 the profiling process was extended to title XVI adults who were scheduled for a CDR. The screening process resulted in the deferral of full medical reviews for 164,116 cases for which a scheduled title XVI CDR was processed in 1998.

For cases involving individuals who receive both title II and title XVI benefits, CDRs are typically initiated as title II CDRs with the results of the review affecting eligibility for benefits under both programs. Tables V.D2 and V.D3 present the latest available summary of results on CDRs of title XVI recipients performed under titles II and XVI since 1993. These tables include only cases for which a full medical review was conducted. In particular they do not include:

- Cases for which a mailer was completed, but for which a full medical review was deferred;
- CDRs initiated as the result of work activity on the part of the beneficiary/recipient; and
- Miscellaneous other CDRs processed by the State Disability Determination Services but not as part of the normal CDR scheduling process (such as voluntary and third party reports of medical improvement, post-transplant end-stage renal disease cases, and vocational rehabilitation reports).

In contrast with the allowance data presented in section V.C, the CDR data is tabulated on a cohort basis by the date of initial decision.

1999 SSI Annual Report

Table V.D2.—SSI Disabled Adult Reviews: Disposition of Continuing Disability Medical Reviews by Fiscal Year of Initial Decision ¹ and Level of Decision

Fiscal year of initial DDS decision	Initial decisions						
	Total initial DDS decisions	Continuations		Cessations	Appeals to reconsideration		
		Number	Percent ²		Number	Percent ³	
Reviews of concurrent title II/XVI cases initiated under title II							
1993	1,143	1,083	94.8	60	52	86.7	
1994	10,945	9,127	83.4	1,818	1,253	68.9	
1995	16,736	12,484	74.6	4,252	2,905	68.3	
1996	26,884	20,636	76.8	6,248	4,119	65.9	
1997	51,466	40,741	79.2	10,725	7,257	67.7	
1998	81,185	68,533	84.4	12,652	8,293	65.5	
Title XVI initiated reviews							
1993	—	—	—	—	—	—	
1994	—	—	—	—	—	—	
1995	4,287	3,277	76.4	1,010	665	65.8	
1996	55,025	46,273	84.1	8,752	6,146	70.2	
1997	69,557	57,662	82.9	11,895	8,748	73.5	
1998	75,071	64,829	86.4	10,242	7,154	69.8	
Total reviews, SSI disabled adults							
1993	1,143	1,083	94.8	60	52	86.7	
1994	10,945	9,127	83.4	1,818	1,253	68.9	
1995	21,023	15,761	75.0	5,262	3,570	67.8	
1996	81,909	66,909	81.7	15,000	10,265	68.4	
1997	121,023	98,403	81.3	22,620	16,005	70.8	
1998	156,256	133,362	85.3	22,894	15,447	67.5	

Fiscal year of initial DDS decision	Reconsiderations					Appeals beyond reconsideration ⁴				
	Pending	Continuations		Cessations	Appeals to beyond reconsideration		Pending ⁶	Continuations		Cessations
		Number	Percent ²		Number ⁵	Percent ³		Number	Percent	
Reviews of concurrent title II/XVI cases initiated under title II										
1993	—	22	42.3	30	14	46.7	—	9	64.3	5
1994	—	541	43.2	712	399	56.0	—	177	44.4	222
1995	—	1,245	42.9	1,660	1,007	60.7	81	370	40.0	556
1996	—	1,875	45.5	2,244	1,313	58.5	197	374	33.5	742
1997	174	4,146	58.5	2,937	2,028	69.1	519	561	37.2	948
1998	1,595	4,391	65.6	2,307	1,184	51.3	918	113	42.5	153
Title XVI initiated reviews										
1993	—	—	—	—	—	—	—	—	—	—
1994	—	—	—	—	—	—	—	—	—	—
1995	—	241	36.2	424	267	63.0	21	80	32.5	166
1996	—	3,289	53.5	2,857	1,946	68.1	292	521	31.5	1,133
1997	241	5,154	60.6	3,353	2,485	74.1	707	604	34.0	1,174
1998	1,197	3,862	64.8	2,095	1,219	58.2	887	116	34.9	216
Total reviews, SSI disabled adults										
1993	—	22	42.3	30	14	46.7	—	9	64.3	5
1994	—	541	43.2	712	399	56.0	—	177	44.4	222
1995	—	1,486	41.6	2,084	1,274	61.1	102	450	38.4	722
1996	—	5,164	50.3	5,101	3,259	63.9	489	895	32.3	1,875
1997	415	9,300	59.7	6,290	4,513	71.7	1,226	1,165	35.4	2,122
1998	2,792	8,253	65.2	4,402	2,403	54.6	1,805	229	38.3	369

Table V.D2.—SSI Disabled Adult Reviews: Disposition of Continuing Disability Medical Reviews by Fiscal Year of Initial Decision ¹ and Level of Decision (Cont.)

Fiscal year of initial DDS decision	Selected summary totals					
	Continuations at all levels		Cessations at initial level		Cessations after all appeals	
	Number	Percent ⁷	Number	Percent ⁸	Number	Percent ⁷
Reviews of concurrent title II/XVI cases initiated under title II						
1993	1,114	97.5	60	5.2	29	2.5
1994	9,845	89.9	1,818	16.6	1,100	10.1
1995	14,099	84.7	4,252	25.4	2,556	15.3
1996	22,885	85.8	6,248	23.2	3,802	14.2
1997	45,448	89.5	10,725	20.8	5,325	10.5
1998	73,037	92.8	12,652	15.6	5,635	7.2
Title XVI initiated reviews						
1993	—	—	—	—	—	—
1994	—	—	—	—	—	—
1995	3,598	84.3	1,010	23.6	668	15.7
1996	50,083	91.5	8,752	15.9	4,650	8.5
1997	63,420	92.4	11,895	17.1	5,189	7.6
1998	68,807	94.3	10,242	13.6	4,180	5.7
Total reviews, SSI disabled adults						
1993	1,114	97.5	60	5.2	29	2.5
1994	9,845	89.9	1,818	16.6	1,100	10.1
1995	17,697	84.6	5,262	25.0	3,224	15.4
1996	72,968	89.6	15,000	18.3	8,452	10.4
1997	108,868	91.2	22,620	18.7	10,514	8.8
1998	141,844	93.5	22,894	14.7	9,815	6.5

¹ Data reflects results as of March 1999. The ultimate number of continuations and cessations are subject to change until all appeals are final.

² Percentage of decisions at this level.

³ Percentage of cessations at this level appealed to next level.

⁴ Includes cases appealed to the Office of Hearings and Appeals, but not cases appealed beyond OHA to the Federal courts. These excluded cases have a minimal impact on the number of continuations.

⁵ Number of persons appealing beyond the reconsideration level.

⁶ Includes cases remanded to OHA from the Federal courts.

⁷ Percentage of initial decisions excluding appealed cases pending decisions.

⁸ Percentage of initial decisions.

Table V.D3.—SSI Disabled Child Reviews: Disposition of Continuing Disability Medical Reviews by Fiscal Year of Initial Decision ¹ and Level of Decision

Fiscal year of initial DDS decision	Initial decisions					
	Total initial DDS decisions	Continuations		Cessations	Appeals to reconsideration	
		Number	Percent ²			Number
Reviews of low-birth-weight children						
1994	1,225	771	62.9	454	159	35.0
1995	4,231	2,083	49.2	2,148	665	31.0
1996	5,709	2,491	43.6	3,218	904	28.1
1997	7,091	4,482	63.2	2,609	832	31.9
1998	17,620	6,092	34.6	11,528	3,593	31.2
Redeterminations at age 18						
1994	—	—	—	—	—	—
1995	71	64	90.1	7	5	71.4
1996	12,640	8,158	64.5	4,482	2,055	45.9
1997	48,834	22,431	45.9	26,403	16,848	63.8
1998	40,945	21,453	52.4	19,492	10,735	55.1
All other reviews of SSI disabled children						
1994	—	—	—	—	—	—
1995	3,535	2,501	70.7	1,034	541	52.3
1996	789	399	50.6	390	210	53.8
1997	14	8	57.1	6	4	66.7
1998	91,157	67,203	73.7	23,954	12,958	54.1
Total reviews, SSI disabled children						
1994	1,225	771	62.9	454	159	35.0
1995	7,837	4,648	59.3	3,189	1,211	38.0
1996	19,138	11,048	57.7	8,090	3,169	39.2
1997	55,939	26,921	48.1	29,018	17,684	60.9
1998	149,722	94,748	63.3	54,974	27,286	49.6

Fiscal year of initial DDS decision	Reconsiderations					Appeals beyond reconsideration ⁴				
	Pending	Continuations		Cessations	Appeals to beyond reconsideration		Pending ⁶	Continuations		
		Number	Percent ²		Number ⁵	Percent ³			Number	Percent
Reviews of low-birth-weight children										
1994	—	44	27.7	115	51	44.3	—	15	29.4	36
1995	—	184	27.7	481	219	45.5	21	41	20.7	157
1996	—	329	36.4	575	232	40.3	38	39	20.1	155
1997	49	278	35.5	505	213	42.2	107	14	13.2	92
1998	705	1,010	35.0	1,878	708	37.7	545	31	19.0	132
Redeterminations at age 18										
1994	—	—	—	—	—	—	—	—	—	—
1995	—	2	40.0	3	2	66.7	—	1	50.0	1
1996	—	707	34.4	1,348	584	43.3	55	110	20.8	419
1997	948	4,434	27.9	11,466	5,670	49.5	2,428	673	20.8	2,569
1998	2,255	2,508	29.6	5,972	2,632	44.1	1,961	145	21.6	526
All other reviews of SSI disabled children										
1994	—	—	—	—	—	—	—	—	—	—
1995	—	177	32.7	364	202	55.5	18	50	27.2	134
1996	—	69	32.9	141	55	39.0	8	11	23.4	36
1997	1	1	33.3	2	1	50.0	1	—	—	—
1998	3,809	3,299	36.1	5,850	2,547	43.5	2,241	93	30.4	213
Total reviews, SSI disabled children										
1994	—	44	27.7	115	51	44.3	—	15	29.4	36
1995	—	363	30.0	848	423	49.9	39	92	24.0	292
1996	—	1,105	34.9	2,064	871	42.2	101	160	20.8	610
1997	998	4,713	28.2	11,973	5,884	49.1	2,536	687	20.5	2,661
1998	6,769	6,817	33.2	13,700	5,887	43.0	4,747	269	23.6	871

Table V.D3.—SSI Disabled Child Reviews: Disposition of Continuing Disability Medical Reviews by Fiscal Year of Initial Decision¹ and Level of Decision (Cont.)

Fiscal year of initial DDS decision	Selected summary totals					
	Continuations at all levels		Cessations at initial level		Cessations after all appeals	
	Number	Percent ⁷	Number	Percent ⁸	Number	Percent ⁷
Reviews of low-birth-weight children						
1994	830	67.8	454	37.1	395	32.2
1995	2,308	54.8	2,148	50.8	1,902	45.2
1996	2,859	50.4	3,218	56.4	2,812	49.6
1997	4,774	68.8	2,609	36.8	2,161	31.2
1998	7,133	43.6	11,528	65.4	9,237	56.4
Redeterminations at age 18						
1994	—	—	—	—	—	—
1995	67	94.4	7	9.9	4	5.6
1996	8,975	71.3	4,482	35.5	3,610	28.7
1997	27,538	60.6	26,403	54.1	17,920	39.4
1998	24,106	65.6	19,492	47.6	12,623	34.4
All other reviews of SSI disabled children						
1994	—	—	—	—	—	—
1995	2,728	77.6	1,034	29.3	789	22.4
1996	479	61.3	390	49.4	302	38.7
1997	9	75.0	6	42.9	3	25.0
1998	70,595	82.9	23,954	26.3	14,512	17.1
Total reviews, SSI disabled children						
1994	830	67.8	454	37.1	395	32.2
1995	5,103	65.4	3,189	40.7	2,695	34.6
1996	12,313	64.7	8,090	42.3	6,724	35.3
1997	32,321	61.7	29,018	51.9	20,084	38.3
1998	101,834	73.7	54,974	36.7	36,372	26.3

¹ Data reflects results as of March 1999. The ultimate number of continuations and cessations are subject to change until all appeals are final.

² Percentage of decisions at this level.

³ Percentage of cessations at this level appealed to next level.

⁴ Includes cases appealed to the Office of Hearings and Appeals, but not cases appealed beyond OHA to the Federal courts. These excluded cases have a minimal impact on the number of continuations.

⁵ Number of persons appealing beyond the reconsideration level.

⁶ Includes cases remanded to OHA from the Federal courts.

⁷ Percentage of initial decisions excluding appealed cases pending decisions.

⁸ Percentage of initial decisions.

E. INCENTIVES FOR WORK AND OPPORTUNITIES FOR REHABILITATION

1. Work Incentives

Since the beginning of the SSI program, a number of disabled recipients have worked and received SSI payments. Initially, the program contained a basic earned income exclusion that recognized the additional costs associated with employment. In addition, the law contained a number of special income exclusions which were intended as work incentives. Among these provisions were the income exclusion for blind work expenses (BWE), plans for achieving self-support (PASS), and student earned income (SEI).

In the 1980 amendments to the Social Security Act, Congress provided additional incentives to help SSI disabled recipients become self-supporting. These incentives included:

- Providing for an earned income exclusion for impairment-related work expenses (IRWE);
- Changing the treatment of sheltered workshop earnings from unearned income to earned income, thereby qualifying sheltered workshop earnings for the earned income exclusion;
- Providing for the continuation of SSI payments for certain disabled individuals enrolled in vocational rehabilitation programs whose disability ceased due to medical recovery (extended to SSI blind recipients, effective April, 1988);
- Establishing section 1619 which provided:
 - In subsection 1619(a), special SSI cash benefits to disabled individuals who lose eligibility for SSI payments because they have earnings exceeding the limit that is ordinarily considered to represent substantial gainful activity (SGA), and
 - In subsection 1619(b), special SSI recipient status for Medicaid purposes to working disabled or blind individuals when their earnings make them ineligible for cash payments.

The incentives for work and opportunities for rehabilitation are discussed in more detail in section III.E. In the tables that follow we provide historical information on participation by SSI recipients in work incentive programs.¹

a. Numbers of Participants in Work Incentive Programs

In this section, we present historical data on participation by SSI recipients in work incentive programs. Table V.E1 presents historical numbers of SSI recipients categorized according to their section 1619 status. Figure V.E1 presents the same information in graphical form.

¹ More detailed information on participation by SSI recipients in work incentive programs is provided in the *Quarterly Report on SSI Disabled Workers and Work Incentive Provisions* prepared by the Office of Research, Evaluation and Statistics, Social Security Administration.

Table V.E1.—SSI Federally-Administered Blind or Disabled Working Recipients as of December, 1987-98

Year	In current-payment status		1619(b) workers ³	Total workers
	1619(a) workers ¹	Other workers ²		
1987	14,559	142,664	15,632	172,855
1988	19,920	153,599	15,625	189,144
1989	25,655	161,928	18,254	205,837
1990	13,994	182,421	23,517	219,932
1991	15,531	186,824	27,264	229,619
1992	17,603	199,665	31,649	248,917
1993	20,028	210,322	35,299	265,649
1994	24,315	217,478	40,683	282,476
1995	28,060	223,573	47,002	298,635
1996	31,085	225,310	51,905	308,300
1997	34,673	228,093	57,089	319,855
1998	37,271	229,662	59,542	326,475

¹ In January, 1990, the SGA limit was raised from \$300 to \$500 and section 1619(a) participants with earnings at or below \$500 became eligible for regular SSI benefits rather than the special cash payments under section 1619(a).

² Workers' earnings are at or below the SGA limit.

³ 1619(b) recipients are not in current-payment status but retain SSI recipient status for Medicaid purposes.

Note: Totals do not necessarily equal the sums of rounded components.

Figure V.E1.—SSI Federally-Administered Blind or Disabled Working Recipients as of December, 1987-98
[In thousands]

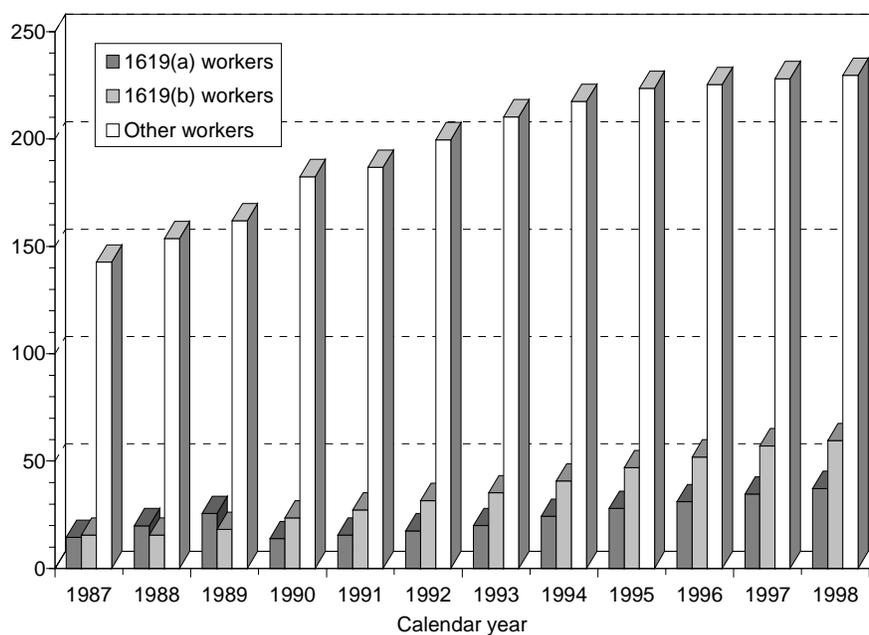


Table V.E2 presents historical numbers of SSI recipients who benefit from other selected work incentive provisions: (1) plan for achieving self-support (PASS), (2) impairment-related work expense exclusion (IRWE), and (3) blind work expense exclusion (BWE). These recipients may be benefiting from more than one of these selected work incentive provisions. This data is available only for calendar years 1990 and later.

Table V.E2.—SSI Federally-Administered Blind or Disabled Individuals with SSI Recipient Status Participating in Other Work Incentives as of December, 1990-98

Year	PASS ¹			IRWE	BWE
	Non-workers	Workers	Total		
1990	1,215	1,040	2,255	5,384	4,385
1991	1,969	1,601	3,570	6,546	4,330
1992	3,189	2,658	5,847	7,813	4,454
1993	4,528	3,602	8,130	8,629	4,406
1994	5,842	4,487	10,329	9,484	4,380
1995	5,719	4,603	10,322	9,940	4,433
1996	2,760	1,944	4,704	9,799	4,230
1997	1,290	708	1,998	9,637	4,116
1998	712	362	1,074	9,301	3,802

¹ For years 1990 through 1996, data do not include PASS plans which exclude only resources.

Note: Working recipients participating in these other work incentives may be 1619(a) recipients, 1619(b) recipients or working recipients whose earnings are at or below the SGA limit.

b. Average Earnings of Participants in Work Incentive Programs

In this section, we present historical data on average earnings of SSI working recipients. Table V.E3 presents average earnings of SSI recipients categorized according to their section 1619 status.

Table V.E3.—Average Monthly Earnings of SSI Federally-Administered Blind or Disabled Working Recipients, as of December, 1987-98

Year	Blind or disabled workers with SSI recipient status			
	In current-payment status		1619(b) workers ³	Total workers
	1619(a) workers ¹	Other workers ²		
1987	\$494	⁴ \$124	\$739	⁴ \$211
1988	522	⁴ 127	721	⁴ 218
1989	518	⁴ 131	712	⁴ 231
1990	712	145	746	245
1991	724	148	780	262
1992	726	150	781	271
1993	728	153	784	280
1994	746	157	803	301
1995	754	160	834	322
1996	764	162	881	344
1997	772	164	932	367
1998	772	182	954	390

¹ In January, 1990, the SGA limit was raised from \$300 to \$500 and section 1619(a) participants with earnings at or below \$500 became eligible for regular SSI benefits rather than the special cash payments under section 1619(a).

² Workers' earnings are at or below the SGA limit.

³ 1619(b) recipients are not in current-payment status but retain SSI recipient status for Medicaid purposes.

⁴ Estimated.

2. Vocational Rehabilitation

SSA makes provision for blind or disabled individuals who are receiving SSI benefits to be referred to the State Vocational Rehabilitation (VR) agencies. Recipients who have been referred to VR agencies and accepted as clients lose eligibility for SSI benefits if they refuse, without good cause, the services offered. As indicated in the Work Incentives section above, the 1980 amendments provided for the continuation of SSI payments for certain disabled individuals enrolled in VR programs whose disability ceased due to medical recovery. This provision was extended to SSI blind recipients effective April, 1988. In 1994, regulations were amended to expand access to private and non-State public VR providers when a State VR agency does not serve an SSI recipient whom SSA refers for services.

From the beginning of the SSI program through 1981, VR agencies were reimbursed for the cost of VR services regardless of outcome. The 1981 amendments changed the reimbursement provisions so that VR agencies would be reimbursed for the cost of VR services furnished to blind or disabled SSI recipients only if the services result in the recipient returning to work.¹ For reimbursement purposes, recipients are considered to have returned to work if they have had earnings exceeding the SGA limit for 9 continuous months. Effective with the 1990 amendments, reimbursement for the cost of VR services was authorized for services provided in months in which the individual was not receiving Federal SSI benefits if the individual:

- Had special SSI recipient status for Medicaid purposes under subsection 1619(b) of the Social Security Act,
- Received a Federally-administered State supplementary payment, or
- Had SSI benefits suspended for fewer than 13 consecutive months for a reason other than cessation of disability or blindness.

Table V.E4 provides historical data on the number of reimbursement claims allowed and the amount of such awards for SSI recipients.

Table V.E4.—Vocational Rehabilitation Reimbursement Claims Allowed, Fiscal Years 1987-98

Fiscal year	Concurrent title II/XVI claims		Title XVI only claims		Total claims	
	Number	Amount ¹ (in thousands)	Number	Amount (in thousands)	Number	Amount ¹ (in thousands)
1987 ...	(2)	(2)	1,493	\$10,010	(2)	(2)
1988 ...	(2)	(2)	1,720	14,831	(2)	(2)
1989 ...	(2)	(2)	1,871	18,366	(2)	(2)
1990 ...	1,267	\$3,290	2,819	22,832	4,086	\$26,122
1991 ...	1,445	4,325	2,171	20,615	3,616	24,940
1992 ...	1,634	5,312	2,834	28,276	4,468	33,588
1993 ...	1,928	6,670	2,158	22,264	4,086	28,934
1994 ...	1,880	7,057	2,074	23,400	3,954	30,457
1995 ...	2,140	7,761	2,229	26,402	4,369	34,162
1996 ...	2,033	6,518	2,138	24,334	4,171	30,852
1997 ...	2,735	8,541	2,914	31,532	5,649	40,073
1998	3,329	10,089	3,446	36,313	6,775	46,402

¹ For concurrent title II/XVI claims, amounts shown represent title XVI portion of claim.

² For fiscal years 1987-89, data on title II reimbursement claims involving concurrent title XVI reimbursement claims are not available.

Note: Totals do not necessarily equal the sums of rounded components.

¹ Reimbursement may also be made in cases where the recipient, without good cause, refuses to continue to accept VR services or fails to cooperate in such a manner as to preclude successful rehabilitation. In such cases, the recipient would become ineligible for SSI benefits due to a failure to accept the offered services. In addition, reimbursement may be made in cases where the recipient medically recovers while engaged in a program of rehabilitation services approved by SSA; and SSA determines that completion of such program increases the likelihood the individual will be permanently removed from the rolls.

F. INVOLVEMENT OF SSI RECIPIENTS IN OTHER PROGRAMS

In this section we present data on prior enrollment by recipients, including State programs funded under part A of title IV of the Social Security Act and State general assistance programs. These data are based on information from the Supplemental Security Record, the main administrative file for the SSI program.

SSA does not maintain complete information in its administrative files concerning the involvement of SSI recipients in all other assistance programs. We do, however, have some indication with regard to entitlement to benefits under two other programs—Temporary Assistance for Needy Families (TANF) (which replaced Aid to Families with Dependent Children (AFDC)) and Interim Assistance Reimbursement—at the point that a person applies for SSI benefits.

Of the 6.6 million people receiving SSI payments in December 1998, almost 1.5 million had at some time received income from the TANF or AFDC programs. While many of those receiving TANF or AFDC at the point of application were children (38 percent), the majority were disabled adults who had received assistance benefits either as children or as caretaker relatives.

Interim assistance is assistance a State gives to SSI applicants in cash or vendor payments for meeting basic needs while they are awaiting the outcome of the SSI eligibility determination process. Of the 6.6 million people receiving SSI payments in December 1998, about 7,900 had part of their initial SSI check paid to their State as reimbursement for interim assistance.

G. BIBLIOGRAPHY OF RESEARCH ON RELATED TOPICS

The legislative mandate for this report requires inclusion of summaries of “relevant research on the SSI program by the Social Security Administration (SSA) and others.” Given the volume of research that has been done since the inception of the Supplemental Security Income (SSI) program, we concluded that we could most effectively optimize interested readers’ access to this information by developing a comprehensive bibliography, rather than by attempting to synopsise numerous, sometimes lengthy and complex documents. In addition, in this and future reports, we expect to provide summary information on certain current research projects related to the SSI program. Section 1 below presents information on five such projects commissioned by SSA. Future reports will provide the results of these studies.

Section 2 presents a list of reference sources that include studies and reports regarding various aspects of the SSI program prepared by, or under contract for, the Social Security Administration. The list also includes information gleaned from the extensive holdings of the Library of Congress regarding studies that have been conducted by public and private entities regarding SSI payment levels, recipients, and reform proposals. It is not intended to be an exhaustive compilation of relevant studies.

1. Research Topics

a. Policy Evaluation of the Effects of the 1996 Welfare Reform Legislation on SSI Benefits for Children with Disabilities

The Personal Responsibility and Work Opportunity Reconciliation Act of 1996 substantially tightened the childhood SSI eligibility criteria. This legislation also requires that all SSI children be re-determined based on the adult disability criteria after turning 18 years of age. SSA has awarded a policy evaluation task order contract to the RAND Corporation to evaluate both the net effect of this legislation on SSA’s caseloads and program costs and the impact of losing SSI benefits on the children affected by the law. Through this contract, SSA will obtain answers to the following questions:

- What are the characteristics of the children who are affected by the legislation?
- What is the impact of the legislation on children with disabilities who were receiving SSI benefits prior to welfare reform?
- What happens to these children in terms of their family income, living arrangements, utilization of medical services, and other relevant outcomes?
- What is the overall net impact of welfare reform on SSI caseloads and costs, taking into account both terminations and new allowances?

The study will provide descriptive and quantitative estimates of the effects of the legislation on the children who were on the rolls prior to the enactment of the legislation through analyses of SSA administrative data and currently available survey data. In addition, the study will provide estimates of the net effect of the legislation on the number of children on the SSI rolls, total benefit years, and program cost, accounting for both terminations and new allowances. Qualitative data are collected through a limited number of case studies of affected children, their families, and service providers in four States.

b. Design and Implementation of Survey of Children with Disabilities

Due to the widely acknowledged shortcomings of existing data sources for evaluating the effects of welfare reform on SSI children and for tracking SSI children unaffected by welfare reform, SSA has undertaken to design and implement a national survey of children with disabilities. The last formal,

nationally representative survey of SSI children was conducted for SSA in 1978 by Urban Systems Research & Engineering, Inc. Among the questions the survey will be designed to answer are the following:

- What is the cost of caring for a disabled child?
- What are the uses of SSI benefits?
- What alternative sources of care are available to disabled children who lose SSI benefits?
- How is quality of life and utilization of medical services impacted by gaining or losing SSI benefits?
- What is the impact of receiving childhood SSI benefits on parental labor force participation?

The goal is to collect data that will allow SSA to further evaluate the effects of welfare reform on SSI children and their families, as well as to evaluate future changes to the SSI program that may affect children. This project consists of two broad activities: survey design and survey implementation. SSA has awarded a survey design task order contract to Mathematica Policy Research, Inc. Mathematica's tasks include designing the sampling plan, developing the survey instrument, pre-testing the survey instrument, and drafting an Office of Management and Budget (OMB) clearance package. A survey implementation contract will be competed after the design is solidified. SSA currently anticipates that data collection will begin late in calendar year 2000.

c. Policy Evaluation of the Overall Effects of Welfare Reform on SSA Programs—Phase I Evaluation Design

Future cutbacks in non-SSA welfare programs may result in increased applications among some groups of people. Awards to such applicants would increase the growth of SSA's disability programs and program costs. Thus, while some aspects of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (such as provisions restricting the eligibility of children) are expected to decrease SSA caseloads and program costs, other changes (most notably the replacement of the Aid to Families with Dependent Children program by block grants for Temporary Assistance for Needy Families) may work in the opposite direction. Therefore, a comprehensive and unbiased evaluation of the overall net effects of the welfare reform legislation must take account of the effect of non-SSA welfare reform provisions on SSA's programs. A task order contract was awarded to the Lewin Group to propose an evaluation design for the Welfare Reform Act's effect on non-SSA programs that might affect applications and awards for SSA programs. The study proposes that the effects should be measured in combination with specific State demonstrations in selected States. The report reviews the characteristics of many State demonstrations and highlights State evaluation projects in California, Connecticut, Florida, Michigan, and Wisconsin. Using nationally representative data before welfare reform and State-to-State variations before welfare reform, the study assesses the likely magnitude and direction of indirect welfare reform effects on SSA caseloads in the future. The study concludes that they cannot be precisely measured with national level survey data matched to SSA records or with State-to-State differences across time. As part of the analysis, the project provides descriptive survey data of SSI participants by age and gender and statistically analyzes the transition onto SSI with these data. In addition, it develops an analytic framework and methodology for future retrospective studies of the overall effects of welfare reform on SSA caseloads, and includes a systematic assessment of existing and potential new data collection necessary to track the longer-term effects of welfare reform on SSA caseloads.

d. Project NetWork

The Project NetWork demonstration was SSA's first large-scale initiative to assist DI beneficiaries and SSI applicants and recipients in returning to employment through a combination of intensive

outreach and case management services. A rigorous evaluation component based on a randomized field experiment design has been an integral part of the demonstration design. Under contract with SSA, Abt Associates, Inc. is conducting a comprehensive evaluation of the Project NetWork demonstration. Because of their richness, the databases that are potentially available from the demonstration can be utilized to conduct studies focusing on issues relevant for targeting future SSA return-to-work initiatives. The narrower objectives of the project focus on the Project NetWork case management approach. With help from contractors, a comprehensive administrative records database has been developed by SSA staff containing detailed information on:

- 8,248 Project NetWork participants randomly assigned to receive case management services or to a control group, and
- 138,613 eligible nonparticipants living in the demonstration areas.

The database includes information on the receipt of SSI and DI benefits and earnings, prior to the demonstration period through the post-demonstration period, and a set of demographic and diagnostic variables. A wide array of survey data has been collected on a random sample of project eligibles—covering all DI beneficiaries and SSI applicants and recipients—living in the demonstration areas. Both project participants who volunteered for the demonstration and nonparticipants have been interviewed at baseline. The survey data file contains information on both economic and non-economic variables affecting the decision to volunteer for return-to-work programs that is not available from SSA administrative record systems; for example, the survey has detailed information on functional limitations, health (including mental health status), cognitive functioning, motivation, and substance abuse. Study findings to date focus on the feasibility of applying case management on a large scale, the feasibility of reaching out to hard-to-serve segments of beneficiaries and applicants, and measures of project outcomes.

e. State Partnership Return-to-Work Demonstrations—Design and Implementation of the Net Outcomes Evaluation

In the fall of 1998, the Social Security Administration's Office of Disability and Income Security Programs (SSA/ODISP) and the Department of Education's Rehabilitation Services Administration (ED/RSA) announced the award of 18 five-year State Partnership agreements and grants. These projects are designed to assist States in developing alternative program structures and service delivery systems that increase the successful employment of persons with disabilities who are receiving SSI and SSDI. A technical assistance, monitoring and data collection contract was also awarded by SSA/ODISP at that time to facilitate consistent cross-site data collection from these demonstrations.

SSA's Office of Research, Evaluation, and Statistics (SSA/ORES) will award in the spring of 1999, an 18-month task-order contract to evaluate the net impact of these projects. The contractor will design a two-part comprehensive evaluation of the net-outcomes produced by the State demonstrations. The Core net-outcome evaluation will rely primarily on SSA administrative data and will use appropriate statistical methods to define comparison groups and determine the net impact of the State demonstrations on participants. To the extent made possible by the quality of additional demonstration data from the States, the evaluation contractor will also implement a Supplemental net-outcome evaluation. Both of these aspects of the contract will focus primarily on the evaluation designs, but the contractor will be required to test and implement these evaluations for participants through the term of the task order.

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H. GLOSSARY

Administrative Expenses (or Costs). Expenses incurred by the Social Security Administration in administering the SSI program. Such administrative expenses are initially paid from the OASI and DI Trust Funds as provided for in section 201(g)(1) of the Social Security Act. The trust funds are subsequently reimbursed for such expenditures from the General Fund of the Treasury.

Affidavit of Support. A contract under which a United States citizen or legal resident agrees to provide support to maintain (i.e., to sponsor) an immigrant as a condition of the immigrant's admission into the United States.

Aged. Individuals aged 65 or older.

Aid—Old-Age Assistance (OAA), Aid to the Blind (AB), and Aid to the Permanently and Totally Disabled (APTD). The former Federal-State programs of adult cash assistance under titles I, X, and XVI respectively, that were replaced in the 50 States and the District of Columbia by the SSI program in 1974. These programs still operate in Guam, the Virgin Islands, and Puerto Rico and are administered at the Federal level by the Secretary of Health and Human Services.

Alien Lawfully Admitted for Permanent Residence. A noncitizen lawfully accorded the privilege of residing permanently in the United States. Such individuals may be issued immigrant visas overseas by the Department of State, or adjusted to permanent resident status while living in the United States by the Immigration and Naturalization Service.

Appeal Rights Process. The administrative review process followed by SSA in determining an individual's rights under the Social Security Act. The administrative review process consists of several steps, which must be requested after the initial determination of eligibility, within certain time periods and in the following order: (1) reconsideration, (2) hearing before an administrative law judge, and (3) an Appeals Council review.

Assistance Based on Need. Assistance that is provided by certain programs which use income as a factor of eligibility. The assistance must be funded wholly by a State, a political subdivision of a State, or a combination of such jurisdictions.

Assumptions. Values relating to future trends in certain key factors which affect the eligibility for SSI benefits and the level of such SSI payments. Demographic assumptions include fertility, mortality, net immigration, marriage, divorce, retirement patterns, disability incidence and termination rates, and changes in the labor force. Economic assumptions include unemployment, average earnings, inflation, interest rates, and productivity. The assumptions underlying the projections presented in this report are consistent with the intermediate assumptions of the 1999 OASDI Trustees Report.

Asylee. A noncitizen already in the United States or at a port-of-entry who is granted asylum in the United States. Asylum may be granted to an individual who is unable or unwilling to return to his/her country of nationality, or to seek the protection of that country, because of persecution (or a well-founded fear of persecution) based on the noncitizen's race, religion, nationality, membership in a particular social group or political opinion.

Attendant Care Services. Services (including personal care assistance) that are paid for from Federal, State or local funds and which are provided by a paid attendant required to assist with work related and/or personal functions.

Automatic Cost-of-Living Increase. The annual increase in SSI Federal benefit rates, effective for January, reflecting the change in the cost of living. The increase equals the percentage increase in the Consumer Price Index for Urban Wage Earners and Clerical Workers measured from the average over July, August, and September of the preceding year to the average for the same 3 months in the

current year. If the increase is less than one-tenth of 1 percent, when rounded, there is no automatic increase for the current year; the increase for the next year would reflect the increase in the cost of living over a 2-year period.

Award. An administrative determination that an individual is eligible for an SSI benefit.

Blind. For purposes of the SSI program, an individual is considered to be blind if he/she has 20/200 or less vision in the better eye with the use of a correcting lens, has tunnel vision of 20 degrees or less, or met the October 1972 State definition of blindness and received benefits under the State's former program of Aid to the Blind in December 1973.

Blind Work Expenses (BWE). Any expenses incurred by a blind individual that are reasonably attributable to earning income. The BWE provision permits the exclusion of these expenses from the earned income of a blind individual. (See "Impairment-Related Work Expenses (IRWE)" for the related exclusions for disabled individuals.)

Burial Funds. A comprehensive term that for SSI purposes includes revocable burial contracts, trusts and other burial arrangements (including amounts paid on installment sales contracts for burial spaces), cash, accounts, or other financial instruments with a definite cash value clearly designated for the individual's burial expenses.

Child. An unmarried blind or disabled individual who is not the head of a household and who is either under age 18 or aged 18-21 and regularly attending school.

Comparable Severity. The phrase in the Social Security Act that defined disability for children prior to the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (Public Law 104-193). Under prior law, an individual under age 18 would have been considered disabled if he/she had an impairment of comparable severity to that required for individuals 18 or older.

Constant Dollars. Dollar amounts adjusted by the CPI to the value of the dollar in a particular year.

Consumer Price Index—CPI. Relative measure of inflation. In this report, all references to the CPI relate to the Consumer Price Index for Urban Wage Earners and Clerical Workers (CPI-W).

Continuing Disability Review (CDR). An evaluation of an individual's impairment(s) to determine whether the person is still disabled within the meaning of the law for purposes of eligibility for SSI and OASDI benefits.

Cost-of-Living Adjustment (COLA). See "Automatic Cost-of-Living Increase."

Countable Income. An individual's income less all-applicable exclusions. This amount is used to determine SSI eligibility.

Countable Resources. The amount of resources after all exclusions. This amount is used in determining an individual's or couple's SSI eligibility. A resource may be cash or other liquid assets or any real or personal property that an individual (or his/her spouse) owns and could convert to cash to be used for their support and maintenance. SSI law stipulates what items are to be excluded from resources.

Current Dollars. Amounts expressed in nominal dollars with no adjustment for inflationary changes in the value of the dollar over time.

Current-Payment Status. Status of an SSI recipient to whom a benefit is being paid for a given month. SSI benefits for a month are usually payable on the first day of that month.

Dedicated Account. A bank account established for a disabled or blind child to contain retroactive SSI payments that exceed six times the FBR plus State supplementation (certain smaller retroactive payments may be placed in the account once it is established). Funds may be used for:

- Education,
- Personal needs assistance,
- Special equipment or housing modifications,
- Medical treatment,
- Therapy or rehabilitation, or
- Other items or services that the Commissioner deems appropriate—

provided that the expense benefits the child and, in the case of the last four items, is related to the child's impairment. Money from a dedicated account which is misapplied must be repaid. These accounts are excluded from resources and the interest earned is excluded from income.

Deeming. The process by which the income and resources of an ineligible individual are considered to be available to a recipient when determining eligibility or payment amount. Deeming applies only between:

- The living-with ineligible spouse and the eligible spouse,
- The living-with ineligible parent(s) and eligible child(ren) under age 18, and
- The immigration sponsors of some noncitizens and the noncitizen(s).

Demographic Assumptions. See "Assumptions."

Disability. For individuals aged 18 or older, the inability to engage in any substantial gainful activity (SGA) by reason of any medically determinable physical or mental impairment that can be expected to result in death or that has lasted or can be expected to last for a continuous period of at least 12 months. An individual under age 18 must have a medically determinable physical or mental impairment, which results in marked and severe functional limitations and which has lasted or can be expected to last for a continuous period of not less than 12 months.

Disability Determination Services (DDS). Federally funded State agencies that make disability determinations for SSA.

Disaster Assistance. Assistance from Federal programs and agencies, joint Federal and State programs, State or local government programs, and private organizations (e.g., the Red Cross) provided to victims of a Presidentially declared disaster.

Earned Income. For SSI purposes, wages, net earnings from self-employment, remuneration for work in a sheltered workshop, royalties on published work, and honoraria for services rendered are considered earned income. The distinction between earned and unearned income is significant because more liberal exclusions are applied to earned income.

Earned Income Disregard. The first \$65 of a recipient's monthly earnings and one-half of the earnings in excess of \$65 are excluded in computing the SSI benefit payable.

Earned Income Tax Credit (EITC). A special tax credit that reduces the Federal tax liability of certain low-income working taxpayers. This tax credit may or may not result in a payment to the taxpayer.

Effective Date of Application. An application for SSI benefits is effective on the first day of the month following the date on which the application is filed, or on which the individual first becomes eligible, whichever is later.

Eligible Couple. Two persons married and living together in the same household or living together as married, both being aged, blind, or disabled and eligible for SSI.

Eligible Individual. An aged, blind or disabled person who meets all the requirements for eligibility under the SSI program, including filing an application.

Emergency Advance Payments (EAP). Special SSI payments that are available only at the time of initial application for eligible individuals who face financial emergencies and need assistance before their first benefits would otherwise be received. The amount of the EAP an individual receives is recovered from subsequent benefit payments.

Federal Benefit Rate (FBR). The basic standard used in computing the amount of Federal SSI benefits for individuals and couples. The FBRs are increased annually to reflect increases in the cost of living. Effective January 1999, the FBR for individuals is \$500 a month and \$751 a month for eligible couples. (See table IV.A2.)

Fiscal Year (FY). The accounting year of the United States Government. Since 1976, a fiscal year is the 12-month period ending September 30. For example, fiscal year 1999 began October 1, 1998 and will end September 30, 1999.

Food Stamps. The U.S. Department of Agriculture (USDA), under cooperative Federal-State agreements, issues Food Stamp Program benefits in the form of paper food coupons (commonly known as food stamps) and through electronic benefit transfer, to provide nutrition for low-income families. Food stamps can be used only to buy food at stores authorized by USDA to accept them.

General Fund of the Treasury. Funds held by the Treasury of the United States, other than receipts collected for a specific purpose (such as Social Security) and maintained in a separate account for that purpose.

Gross Domestic Product (GDP). The total market value of goods and services produced by labor and property located in the United States, regardless of who supplies the labor or property.

Holding-Out Marriage. A situation in which a man and woman who are not legally married to each other are living together in the same household and holding out to the community that they are husband and wife and, as such, are treated as a couple for purposes of determining eligibility and payment amount under SSI.

Home Energy Assistance. A Federal Government block grant program that provides funds to States for energy assistance (including weatherization) to low-income households. This assistance may be provided by a variety of agencies (e.g., State or local welfare offices, community action agencies, special energy offices, etc.) and may be known by a variety of names (e.g., Low Income Home Energy Assistance Program (LIHEAP), Project Safe, etc.).

Household. A group of two or more individuals who use a single dwelling unit as primary quarters for living and eating separate from other individuals' living units.

Household of Another. An individual is considered to be living in the household of another when the individual lives with others, does not own or rent the shelter, and does not pay a pro rata share of the household's food and shelter expenses. An individual who provides all of his/her own food, or lives in a public assistance household or in non-institutional care, is not considered to be living in the household of another. An individual who is determined to be living in the household of another is considered to be receiving in-kind support and maintenance from that household, and his/her SSI benefit is reduced by one-third of the FBR.

Impairment-Related Work Expenses (IRWE). The provision that permits the exclusion from earnings of the costs of items and services which are needed in order for a disabled individual to work, which are paid for by the individual, and which are necessarily incurred by that individual because of a physical or mental impairment. These IRWE's are excluded from earnings when determining substantial gainful activity (SGA) or computing eligibility and ongoing SSI monthly payments. (See "Blind Work Expenses (BWE)" for the related exclusions for blind individuals.)

Income. See—"Earned Income," "In-Kind Income" and "Unearned Income."

Ineligible Spouse. The husband or wife of an eligible individual who is not eligible for SSI benefits.

Inflation. An increase in the volume of money and credit relative to available goods, resulting in an increase in the general price level.

Infrequent or Irregular Income. Income that is received either infrequently or irregularly that can be excluded from the determination of an individual's income, provided that the total of this income does not exceed \$10 per month of earned income and \$20 per month of unearned income. Infrequent means that it is not received more than once in a calendar quarter from a single source. Irregular means that an individual could not reasonably expect to receive the income.

Initial Determination. A determination SSA makes about an individual's eligibility for benefits or about any other matter that gives that person a right to further administrative and/or judicial review.

In-Kind Income. Income that is not cash, but is food, clothing or shelter or something an individual can use to obtain food, clothing or shelter.

In-Kind Support and Maintenance (ISM). Unearned income in the form of food, clothing, or shelter or any combination of these.

Interim Assistance Reimbursement (IAR). The process used for reimbursing for basic assistance provided by a State to an individual either while the individual's application for SSI was pending or during the period in which an individual's SSI benefits were suspended. SSA may reimburse a State that has provided this assistance. The individual's retroactive SSI payment is sent to the State as reimbursement if: (1) the State has an agreement with SSA to participate in IAR, (2) the individual has given SSA written authorization to have his/her retroactive payment sent to the State as reimbursement, and (3) the individual is found eligible for SSI benefits or has had his/her benefits reinstated for the same period of suspense.

Under IAR, after States reimburse themselves from an individual's retroactive benefit, they must forward any remainder to the individual within 10 days.

Living With. A required condition for parent-to-child and spouse-to-spouse deeming. Deeming of income and resources occurs if a child lives with his/her parents or an individual lives with his/her spouse.

Maintenance-of-Effort. See "Passalong."

Mandatory State Supplementation. See "State Supplementation."

Means-Testing. The measuring of income and resources against specified amounts as eligibility factors for certain assistance benefits. SSI is a means-tested benefit program.

Medicaid. The program authorized under title XIX of the Social Security Act, which provides medical assistance to certain low-income individuals and families and certain disabled and medically needy individuals. Medicaid is administered by the States with support from the Federal Government in the form of matching grants. The Federal Government provides guidelines to the States for formulating their programs. Because these guidelines afford great leeway, Medicaid programs vary widely among the States.

Medicaid Facility. A medical care facility such as a hospital, extended care facility, nursing home, or intermediate care facility, where Medicaid pays more than 50 percent of the cost of a person's care.

Medical Facility. An establishment that makes available some treatment or services in addition to food and shelter to four or more persons who are not related to the proprietor.

New Entrant. An SSI recipient in the first month of SSI payment receipt.

Noncitizen. An individual who is not a United States citizen. Also referred to in welfare and immigration law as an alien. (See "Alien Lawfully Admitted for Permanent Residence," "Asylee," "Parolee" and "Refugee.")

Nonqualified Alien. A noncitizen who is not in a qualified alien category for SSI eligibility purposes. Public Law 105-306, the Noncitizen Benefit Clarification and Other Technical Amendments Act of 1998, permanently extended SSI eligibility of all nonqualified aliens who were receiving SSI benefits on August 22, 1996 provided all other eligibility requirements continue to be met.

OASDI. The Old-Age, Survivors, and Disability Insurance programs established under title II of the Social Security Act.

One-Third Reduction. The reduction of an individual's SSI payment that occurs when an individual is living in the household of another. Instead of determining the actual dollar value of in-kind support and maintenance, one-third of the Federal benefit rate is counted as additional income to an individual living in another person's household for a full calendar month and receiving both food and shelter from the household.

Optional State Supplementation. See "State Supplementation."

Overpayment. The payment of more than the amount due for any period, including any amounts of Federally administered State supplementary payments.

Parent. For SSI purposes, the natural mother or father of the child, or the person who legally adopted the child, or the stepparent who lives in the same household as the child.

Parolee. A noncitizen, who appears to be inadmissible to the inspecting INS officer, but is allowed to enter the United States under emergency humanitarian conditions or when the noncitizen's entry is determined to be in the public interest. Parole does not constitute a formal admission to the United States and confers temporary admission status only, requiring parolees to leave when the conditions supporting their parole cease to exist.

Passalong. A requirement that States must meet in order to be eligible for Medicaid reimbursement. Any State making supplementary payments (see "State Supplementation") after June 30, 1977, must continue making such payments and must pass along any cost-of-living increase to the Federal benefit rate. Two methods are available to ensure that cost-of-living increases are passed on to the recipients.

- *Total Expenditures Method*—State expenditures for supplementary payments in the current calendar year must at least equal expenditures in the preceding calendar year. If expenditures are less in the current year (shortfall), the State must increase expenditures in the next calendar year by an amount at least equal to the shortfall.
- *Payment Levels Method*—States may not lower their supplementary payment for any of the living arrangement categories below their adjusted March 1983 levels. The adjusted level is the State's March 1983 payment level minus that portion of the July 1983 increase in the Federal benefit rate that was not attributable to the increase in the cost of living (i.e., \$10.30 per individual and \$15.40 per couple).

Payment Accuracy. The accuracy rate reflects the percent of dollars in SSI benefits that are paid correctly. One measure of the quality of the SSI program and SSA's stewardship of it, based on reviews conducted by SSA to determine the accuracy of the payment and compliance with national instructions and goals.

Personal Needs Allowance. The amount allowed for an institutionalized recipient's personal needs (currently \$30). If an SSI recipient is in a Medicaid facility, the law requires that the SSI benefit be used only for the recipient's personal needs (i.e., that the institution cannot retain the benefit in repayment of the cost of the individual's care).

Plan for Achieving Self-Support (PASS). A plan that permits a disabled or blind SSI recipient to set aside earned or unearned income and resources for a work goal. The income or resources set aside under a PASS are used to pay for goods or services needed to reach that goal, such as education, vocational training, starting a business, or purchasing work-related equipment. Income and

resources set aside under a PASS are excluded from SSI income and resources. SSA must approve an individual's PASS.

Population in the Social Security Area. The population comprised of (i) residents of the 50 States and the District of Columbia (adjusted for net census undercount); (ii) civilian residents of Puerto Rico, the Virgin Islands, Guam, and American Samoa; (iii) Federal civilian employees and persons in the Armed Forces abroad and their dependents; (iv) crew members of merchant vessels; and (v) all other U.S. citizens abroad.

Presumptive Disability or Blindness. A finding that SSI benefits may be paid before SSA makes a formal determination as to whether or not the individual is disabled or blind. The individual's impairment must be apparent and meet specified criteria. In addition, the individual must meet all other requirements for eligibility. These benefits may be paid for no more than 6 months. The presumptive benefits will not be considered overpayments if SSA later finds that the individual is not blind or disabled.

Property Essential for Self-Support (PESS). The real and personal property used in a trade or business, non-business income-producing property and property used to produce goods or services essential to the individual's daily activities. PESS may be excluded from resources under certain conditions.

Proration of Benefits. The method of computing benefit amounts in months in which the individual reacquires eligibility after a month or more of ineligibility. In such months, an individual's SSI benefit will be paid according to the number of days in the month that he/she is eligible, beginning with the first day in the month on which all eligibility requirements are met. In order to determine the benefit payable in a prorated month SSA counts the number of days an individual is eligible in the month. The amount of the individual's regular monthly payment is multiplied by the number of days for which he/she is eligible for benefits. That figure is divided by the number of days in the month for which the benefit is being determined. The resulting amount is the amount due for the prorated month. After 1996, proration for months of initial eligibility was eliminated.

Public Educational Institution. An institution that is operated by or controlled by the Federal Government, a State, or a political subdivision of a State such as a city or county for the primary purpose of providing educational or vocational training.

Public Emergency Shelter. A shelter for individuals whose homelessness poses a threat to their life or health.

Public Institution. An institution that is operated by or controlled by the Federal Government, a State, or a political subdivision of a State such as a city or county.

Publicly Operated Community Residence. A facility that provides food and shelter and some other service such as social services, help with personal living activities, training in socialization and life skills, or occasional or incidental medical or remedial care. In order to be publicly operated it must be operated or controlled by the Federal Government, a State, or a political subdivision of a State such as a city or county.

Qualified Alien. An individual who is:

- Lawfully admitted for permanent residence under the Immigration and Nationality Act (INA);
- A refugee under section 207 of the INA;
- An asylee under section 208 of the INA;
- A person whose deportation is withheld under section 243(h) of the INA as in effect prior to April 1, 1997, or whose removal has been withheld under section 241(b)(3) of the INA;
- A parolee under section 212(d)(5) of the INA for at least one year;
- A person granted conditional entry under section 203(a)(7) of the INA as in effect prior to April 1, 1980;

- A Cuban or Haitian entrant as defined in section 501(e) of the Refugee Education Assistance Act of 1980; or
- A certain alien, or an alien parent of a child, or an alien child of a parent who has:
 - Been battered or subjected to extreme cruelty in the United States by a spouse, parent, or certain other family members the alien, parent and/or child lived with;
 - Been determined to need SSI because of this abuse; and
 - A determination from the INS for a certain change in status.

Qualifying Quarter of Earnings. Credit for a requisite amount of earnings assigned to a calendar quarter for the purpose of determining the SSI eligibility of a lawfully admitted permanent resident.

Quarter of Coverage. The crediting of coverage needed for insured status under the Social Security program. A worker receives one quarter of coverage (up to four a year) for a designated amount of annual earnings reported from employment or self-employment. This dollar amount is subject to annual automatic increases in proportion to increases in average earnings.

Recipient. A person who has been awarded SSI payments based on an evaluation of his/her own countable income and resources, age, and disability status.

Reconsideration. The first step in the administrative review process if an individual is dissatisfied with SSA's initial determination.

Redetermination. A periodic review of eligibility for SSI recipients to assure that requirements for eligibility continue to be met and that payment levels are in the proper amount. Income, resources, living arrangements and other factors are reviewed. The redetermination process does not review the determination of disability.

Refugee. A noncitizen outside of his/her country of nationality who is unable or unwilling to return to his/her country of nationality or to seek the protection of that country because of persecution (or a well-founded fear of persecution) based on the noncitizen's race, religion, nationality, membership in a particular social group or political opinion. Unlike asylees, refugees apply for and receive this status prior to entry into the United States.

Relocation Assistance. A type of assistance provided to persons displaced by projects that acquire real property. Examples of types of reimbursement, allowances, and help provided are:

- Moving expenses,
- Reimbursement for losses of tangible property,
- Displacement allowances,
- Amounts required to replace a dwelling which exceed the agency's acquisition cost for the prior dwelling,
- Rental expenses for displaced tenants,
- Amounts for down payments on replacement housing for tenants who decide to buy,
- Mortgage insurance through Federal programs with waiver of requirements that borrowers must usually meet, and
- Replacement housing.

Representative Payee. A person who receives SSI payments on behalf of an SSI recipient. SSA will pay benefits to a representative payee on behalf of an individual 18 years old or older when it appears that such method of payment will be in the best interest of the individual. A representative payee will be appointed if the individual is legally incompetent or mentally or physically incapable of managing or directing the management of his/her benefits. Also, in general, if the individual is under the age of 18, a representative payee will be appointed.

Resident of a Public Institution. An individual who can receive substantially all of his/her food and shelter while living in a public institution is considered a resident of the public institution. Generally, an individual who is a resident of a public institution throughout a month is ineligible for SSI.

Resident of the United States. A person who has established an actual dwelling place within the geographical limits of the United States with the intent to continue to live in the United States. (See “United States.”)

Resource. The cash or other liquid assets or any real or personal property of an individual (or his/her spouse, if any) that he or she could use or could convert to cash to be used for his/her support and maintenance.

Retroactive Payments. The SSI payments made in a month later than the month or months in which they were due. Also referred to as “past-due” benefits.

Retrospective Monthly Accounting (RMA). The calculation method used in the SSI program to determine an individual’s eligibility for each month. RMA has two parts: an eligibility determination and a payment computation. If the individual is ineligible based on the current month’s factors (including the current month’s countable income), no payment is due and none is paid. If the individual is eligible based on the current month’s factors, payment is computed. The benefit for a month is generally based on the countable income from the second month before the current month. The basic formula is to subtract the countable income from 2 months previous from the current month’s Federal benefit rate.

Section 1619(a) Status. The special SSI cash benefits provided to disabled individuals who lose eligibility for SSI benefits under the regular rules because they have earnings at the level that is ordinarily considered to represent substantial gainful activity.

Section 1619(b) Status. The special SSI recipient status for Medicaid purposes provided to working disabled or blind individuals when their earnings make them ineligible for regular or special cash payments.

Sponsor. An individual who has signed an affidavit of support for a noncitizen entering the country.

State Supplementation. The payments made by a State or one of its political subdivisions to aged, blind, or disabled individuals.

- *Administration*—The governmental unit responsible for administering State supplementary payments may be either a State or local agency or SSA. Under State administration, the State must absorb both program benefits and administrative costs. Under Federal administration, the State is responsible for the program benefits and, as of January 1, 1999, pays \$7.60 for each benefit paid for the administrative costs.
- *Mandatory Supplementation*—The supplementary payments that are made only to beneficiaries who were converted to the SSI program from former State assistance programs at the inception of the SSI program. Mandatory Minimum State supplementary payments are required to maintain the December 1972 payment levels that these beneficiaries received under the former State assistance programs. States are required to provide the supplementation to maintain their Federal matching funds for Medicaid.
- *Optional Supplementation*—The payments made by States to help persons meet needs not fully covered by Federal SSI benefits. The State determines whether it will make a payment, to whom, and in what amount. These supplements, paid on a regular monthly basis, are intended to cover such items as food, shelter, clothing, utilities, and other daily necessities. Some States provide optional supplementary payments to all persons eligible for SSI benefits, while others may limit them to certain SSI recipients such as the blind or residents of domiciliary-care facilities, or they may extend payments to persons ineligible for SSI because of SSI income.

Statutory Blindness. See “Blind.”

Student Earned Income (SEI). An earned income exclusion for an individual who is under age 22 and regularly attending school, with certain limitations established by regulations. Currently, up to \$400 earned income in a month, but no more than \$1,620 per year, may be excluded.

Substantial Gainful Activity (SGA). The level of work activity used to establish disability. A finding of disability requires that a person be unable to engage in SGA. Under current regulations, a person who is not statutorily blind and is actually earning more than \$500 a month (net of impairment-related work expenses) is ordinarily considered to be engaging in substantial gainful activity. SSA published in the *Federal Register* on April 15, 1999 (64 FR 18566) a final rule raising this SGA amount for the nonblind to \$700, effective July 1, 1999.

Supplemental Security Record (SSR). The computerized database maintained by SSA and containing identifying information, income, resources and other eligibility factors, for all SSI recipients. The SSR includes the history of SSI payments made to an individual.

Suspension. The nonpayment of benefits for a period of anywhere from 1 to 12 months for any of a number of reasons such as income or resources over allowable levels, absence from the United States, residence in a public institution, etc. Benefits can resume without reapplication, when all requirements for entitlement are again met. Suspense that lasts more than 12 months results in a termination of the SSI record. (Once a record is terminated, reapplication is necessary.)

TANF. See "Temporary Assistance for Needy Families (TANF)."

Temporary Absence. An individual's physical move from his/her permanent place of residence that does not constitute a change in living arrangement. In general, a temporary absence is an absence from a permanent residence which is not intended to, and does not, exceed a full calendar month.

Temporary Assistance for Needy Families (TANF). The State grant program of assistance for needy families established by the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (Public Law 104-193). TANF replaced the Aid to Families with Dependent Children program.

Termination. For an individual, cessation of benefits, which can occur for a number of reasons, including death, medical improvement, or a period of suspension lasting longer than 12 months.

Terminations. As used in section IV, the net reduction (after accounting for new entrants) in the number of SSI recipients in current-payment status during a period.

Trusts. A legal arrangement involving property and ownership interests. Property held in a trust may or may not be considered a resource for SSI purposes. The general rules concerning resources apply to evaluating resource status of property held in a trust.

Unearned Income. The income that is not earned income. Unearned income may be in cash or in-kind. Some examples of unearned income are:

- Annuities, pensions, and other periodic payments;
- Retirement and disability benefits;
- Veterans', workers' and unemployment compensation;
- Alimony and support payments;
- Dividends, interest and certain royalties; and
- Rents.

United States. For purposes of the SSI program, the United States consists of the 50 States, District of Columbia and the Northern Mariana Islands.

Vocational Rehabilitation (VR). The services provided to blind and disabled individuals to help enable them to work. SSA makes provisions for blind or disabled recipients to be referred to a State VR agency, or to an alternate provider if the State agency does not accept the referral. SSA reimburses the VR agency for services provided in situations where the services result in the individual's working at the substantial gainful activity level for a continuous period of 9 months, and in certain other limited situations.

Windfall Offset. A provision to prevent a person from receiving monthly SSI and OASDI benefits in excess of the total amount which would have been paid if the OASDI benefits had been paid when they were due rather than retroactively.

Work Incentives. Provisions in the SSI program that are intended to act as incentives for disabled or blind individuals to work. Examples of work incentives under the SSI program are:

- Earned income disregard,
- Impairment related work expenses,
- Blind work expenses,
- PASS, and
- Section 1619 benefits.

SOCIAL SECURITY ADVISORY BOARD

STATEMENT ON THE SUPPLEMENTAL SECURITY INCOME PROGRAM

Public Law 104-193 requires that members of the Social Security Advisory Board be given an opportunity, either individually or jointly, to include their views in the Social Security Administration's annual report to the President and the Congress on the Supplemental Security Income (SSI) program.

We appreciate the opportunity to present our views on this important program, and we have asked the Social Security Administration to include the following statement of views in this year's annual report, due May 30, 1999.

VIEWS OF THE BOARD REGARDING THE SSI PROGRAM

In 1994, when the Congress passed legislation establishing the Social Security Administration as an independent agency, it also created a bipartisan Advisory Board to advise the Congress, the President, and the Commissioner of Social Security on matters relating to both the Social Security (OASDI) programs, and the Supplemental Security Income (SSI) program. The statute directs the Board, among other responsibilities, to make recommendations with respect to the quality of service that SSA provides to the public; the policies and regulations of the OASDI and SSI programs; and a long-range research and program evaluation plan for SSA.

In response to that mandate, the Board has undertaken to study the SSI program as part of our overall work rather than as an isolated subject. To date, our efforts with respect to SSI have focused on the quality of service that SSA provides to the public, the disability aspects of the program, and program research needs. Since the Board began its work in 1996, it has made on-site visits to Boston; Los Angeles; San Francisco; Philadelphia; Dallas; New York City; Atlanta and Rome, Georgia; Fort Lauderdale; Miami; Kansas City, Missouri; Kansas City, Kansas; and Chicago. These visits have given the Board a point-of-service view of the challenges facing those who administer the SSI and OASDI programs, and the needs of those whom the programs are intended to serve. The Board has met with Social Security Administration staff at all levels, State and local officials, and advocates for SSI applicants and beneficiaries. It has also held public hearings in San Francisco, Dallas, and Chicago.

The following observations with respect to the SSI program reflect the work we have completed at this point in time. The Board issued a report in January 1998 on "Strengthening Social Security Research: The Responsibilities of the Social Security Administration." That report described the steps the agency should take to strengthen its research capacity and also made recommendations with respect to the agency's research agenda for both the OASDI and SSI programs. The Board also issued a report in August

1998 entitled “How SSA’s Disability Programs Can Be Improved,” which focused primarily on recommendations for improving how the Disability Insurance and SSI disability programs are administered. We anticipate that in the coming months the Board will issue a report with recommendations on improving the quality of service that SSA provides to the public.

The issue of quality of service to SSI claimants and beneficiaries

In 1972, when the Supplemental Security Income program was enacted, questions were raised in the Congress and elsewhere about SSA’s capacity to absorb administrative responsibility for this complex new welfare program without compromising its ability to administer the much larger Social Security retirement, survivors, and disability programs. The Congress ultimately chose the Social Security Administration to administer the SSI program, in part because the agency had a network of offices that were accessible to the public and had a reputation for providing high quality service.

The Congress believed that the SSI program, which was intended to serve as a supplement to the Social Security programs, could function best in close connection with them. It was hoped that joint administration of the programs would result in improved service for low-income aged, blind, and disabled individuals, and that individuals would experience less stigma than under the prior State-administered welfare programs.

Although the SSI program has become an integral part of SSA’s operations, in the early years of the program the agency had difficulties in assuming this new responsibility. Over the last 25 years the agency has faced continuing challenges to its ability to provide a high quality of service to those who apply for and receive SSI benefits. The key issue for SSA now is how well it is presently meeting its responsibilities and how well it is positioned for the future.

As a means-tested program, SSI is inherently more difficult to administer than the Social Security programs. Social Security eligibility depends upon generally objective and stable factors, such as date of birth, date of death, earnings history, and marital status. In contrast, under SSI the fact and degree of eligibility can change from month to month based on changes in income, resources, living arrangements, and place of residence. In addition, SSI disability applicants often lack a consistent record of medical treatment that can be relied upon without the need for consultative examinations, and they are likely to lack the type of work history that can be used in Social Security cases as a benchmark. Many have special needs due to physical or mental limitations, emotional problems, language difficulties, or educational deficits. Many also lack telephones or are homeless.

Administration is further complicated by the fact that the SSI program has become predominantly a disability program and thus shares with Social Security all of the complexities involved in the multi-step disability determination process. Today the 5.2 million SSI disability beneficiaries greatly outnumber the 1.3 million beneficiaries who receive benefits on the basis of age. This is in contrast to the situation prevailing at the time the SSI program began, when the aged constituted the majority of beneficiaries.

Because SSI rules are complicated, initial claims taking is much more difficult and time-consuming than it is for Social Security. In addition, because of the need for regular review of eligibility and payment amounts to take account of changes in circumstances, SSI beneficiaries are far more likely than Social Security beneficiaries to contact SSA after they become entitled to benefits. As the agency implements stepped-up procedures to verify the accuracy of payments to beneficiaries, this SSI postentitlement work is becoming an increasingly large portion of the workload.

Changes in the law in recent years have also added to the agency's administrative responsibilities. For example, as the result of legislation in 1996, SSI law requires that a retroactive payment on behalf of a disabled child be placed in a dedicated account and used only for expenses related to the impairment of the child. SSA staff in the field must determine whether the expenditures are proper and try to recover them if they are not.

As a result of factors such as these, the share of SSI program expenditures devoted to administration is high compared to the OASDI program. In fiscal year 1999, Federal SSI administrative costs are expected to be about \$2.5 billion, or about 8 percent of the program's \$30.7 billion in Federally-administered outlays, while administrative costs for Social Security programs are projected to be about \$3.5 billion, or less than 1 percent of total outlays of \$393 billion.

Although SSI will account for only about 7 percent of SSA's benefit outlays in fiscal year 1999, it will account for about 36 percent of the agency's administrative budget (as compared to about 50 percent for the Social Security program and 14 percent for Medicare responsibilities).

The proportion of SSA's administrative budget devoted to SSI has grown since the early years of the program, increasing from 27 percent of total administrative costs in 1980 to 36 percent this year.

Today, more than half of claims for Social Security Old-Age and Survivors Insurance (OASI) benefits are handled by telephone. More and more, the work of employees in Social Security field offices is directed at serving applicants and beneficiaries of the SSI program. This is a change from the original expectations of the Congress that OASI and DI work would dominate, and is a development that needs to be fully taken into account by policy makers.

In our meetings with SSA employees around the country, we have been impressed by their high level of dedication to serving the SSI population. Although many SSI claimants have special needs and often require more time and attention than others whom the agency serves, SSA staff who are providing front-line service appear determined to provide the highest level of service that they can. A major frustration, as expressed to us, is that high workloads are restricting their ability to respond to the needs that they perceive. They are also concerned that SSA's work measurement system does not capture the magnitude of the SSI workload in comparison with that of the OASDI program.

Concern about staffing for the SSI program is not new. The 1992 Report on the SSI Modernization Project, written by a group of experts under the chairmanship of the late Arthur Flemming, former Secretary of the Department of Health, Education, and Welfare, addressed this issue. The report identified increased staffing as one of the top priorities for improving the SSI program. Nearly all expressed the view that, with additional staff, SSA should place renewed emphasis on restoring more personal contact and individualized assistance to those it is intended to serve.

In our upcoming report on service to the public we will present our findings and recommendations with respect to the quality of service that SSA provides to the public in greater detail. However, there are several issues that are important to the SSI program that we would like to highlight at this time.

Assuring SSI program integrity

In response to attention by the Congress and the General Accounting Office, as well as its own concerns about accurate administrative practices, SSA issued a report in October 1998 that described what the agency plans to do to improve the management of the SSI program.

In addition, the agency has taken specific steps to improve the accuracy of SSI payments. It has increased the number of Continuing Disability Reviews to assure continuing eligibility for disability and has also increased the number of redeterminations of non-disability factors. It has proposed legislation to give the agency new tools to improve payment accuracy, including enhanced ability to catch errors through data matching; made changes in the approval process for the Plan for Achieving Self Support (PASS) program; and taken steps to reduce erroneous payments to prisoners and nursing home residents. SSA's leadership has supported efforts to expand the capabilities of the Office of the Inspector General to improve the accuracy and integrity of the agency's work.

We believe that these initiatives will help to improve the integrity of the SSI program, and we commend the agency for undertaking them. But as the Board stated in its comments in SSA's 1998 report on the SSI program, accuracy and integrity are dependent first of all on how well claims are handled in the 1,300 Social Security field offices.

We have talked with many in the agency, particularly in field offices, who have expressed concern about the integrity of the SSI program. Statistics for the SSI program reinforce these concerns. According to the agency's Accountability Report for Fiscal Year 1998, the SSI payment accuracy rate, measuring the accuracy of current, retroactive, and estimated future payments resulting from an SSI initial claim, declined from 95.3 percent in 1994 to 90.4 percent in 1997. In addition, in discussing the accuracy of the first payment made to newly awarded SSI claimants, the Accountability Report states that "...the potential for a significant downward trend exists."

The SSI case accuracy rate is considerably lower than the payment accuracy rate. According to the Office of the Inspector General, the SSI case accuracy rate was about 71 percent in 1993, compared with a payment accuracy rate of 94 percent.

Serving individuals with special needs

Most SSI applicants and recipients, because of old age, mental or physical disability, language barriers, or other causes, need assistance in filing claims and otherwise complying with complex SSI eligibility rules. As an example, about 28 percent of SSI disability beneficiaries receive benefits on the basis of mental retardation. Another 31 percent suffer from other types of mental disorders. In New York City, there are offices where half or even fewer than half of the people in the office service area speak English at home. Many applicants and beneficiaries have educational deficits. In some areas, there are substantial numbers of homeless individuals.

According to SSA employees in the field, a growing number of claimants, including SSI claimants, are turning to individuals and organizations outside the agency for help in filing their claims. Although most of these “third parties” undoubtedly are providing claimants with valuable assistance, SSA employees tell us that there are instances in which third parties are claiming fees for services while providing little or no real help.

We believe that third parties can be helpful to SSA. However, the basic responsibility for seeing that individuals are well served rests with the agency. This means that the agency must have well-trained employees who have the time necessary to guide individuals through program rules and help them develop the documentation that is needed to determine their eligibility for benefits. There is widespread concern among Social Security employees across the country that staffing levels in many offices are insufficient to deliver the quality of service that the public should have.

The agency should carefully assess how well it is serving this very vulnerable population, and make the training and staffing improvements that are needed to assure that individuals who need help in filing their applications receive it, and that their claims are handled expeditiously, fairly, and accurately. It should also undertake a careful assessment of the role that third parties are currently performing, including how their contribution can be improved, and develop strategies for increasing the participation of those entities that it finds can and will promote the best interests of the public.

Program complexity

Both SSA employees and SSI claimants and beneficiaries agree that SSI rules are overly complex. They are difficult to comprehend and difficult to administer. Complexity contributes to errors in payments, which can cause hardship and frustration for beneficiaries and further add to the agency’s workload.

We understand that the agency is planning to undertake a new effort to simplify SSI program rules, an effort that we strongly support.

We suggest as a first step consulting with employees in the field to identify rules and procedures that are requiring disproportionately large amounts of staff time to administer but have little impact on benefit determinations and do not require legislative change. Changes in rules and procedures in these less complex areas potentially could be implemented relatively rapidly and on an incremental basis.

Over the longer term, the agency should examine areas of greater complexity that involve more substantive change. An example is the SSI rules that apply with respect to living arrangements and in-kind support and maintenance. The law and many of the regulations governing this subject have been in place since the beginning of the program and they are regarded by many as inordinately complex. There are 186 pages of instructions that field office employees are required to follow on this subject alone. SSA employees have always had difficulty explaining the rules to claimants and have also found them difficult to apply. Although changes in policy areas like this may be controversial because of their possible impact on individuals and program costs, we believe the agency should take the leadership in identifying the issues that are involved and proposing changes in regulations or law where it believes they are warranted.

An additional difficulty for employees in the field, beyond the complexity of the program itself, has been the complexity of the procedural instructions they have to follow. Currently, they must look in numerous places for teletypes, circulars, and emergency instructions. Consolidating these instructions would ease their task and possibly lead to fewer errors.

The disability determination process

In the early years of the program, the numbers of applications for Disability Insurance and for SSI disability were roughly similar. For more than the last decade, however, the number of SSI disability applications has exceeded those for DI. In 1998, there were 1.4 million SSI disability applications, compared to 1.2 million for DI.¹ As a consequence, the SSI program has a very large impact on the agency's disability determination process. This impact is magnified by the fact that taking an SSI disability claim is frequently more complex and time consuming than taking a claim for DI. For example, SSI applicants are less likely than DI applicants to have had regular medical treatment and thus a readily available medical history that can be used in determining whether they are disabled.

As mentioned above, in August 1998, the Board issued a report with recommendations on "How SSA's Disability Programs Can Be Improved." The report described the long-standing difficulties of administering the DI and SSI disability programs, including lack of consistency in decision making; unexplained changes in

¹ It is important to keep in mind, however, that many applicants for SSI also apply for Disability Insurance. Nearly a third of SSI disabled beneficiaries also receive DI benefits.

application and allowance rates; the complexity, slowness and cost of the application and appeals process; the lack of confidence in the system; and the fact that few beneficiaries are successfully rehabilitated so that they can become part of the economic mainstream.

The report included recommendations to address these problems, and urged the agency to give priority to the following five recommendations:

- development and implementation of an ongoing joint training program for all adjudicators;
- development of a single presentation of disability policy that is binding on all decision makers, including the updating of medical listings and vocational standards;
- development and implementation of a quality assurance system that will unify the application of policy throughout the disability determination system;
- improvement in the quality of medical evidence that is used in determining disability claims; and
- development and implementation of a computer system that will provide adequate support to all elements of the disability claims process.

The Board also noted that “There is a critical need now to move forward as quickly as possible with the process of change.”

The response to the Board’s report by individuals throughout the disability system was highly favorable. We heard from State DDS directors and examiners, Administrative Law Judges, and staff in SSA’s Office of Disability. Based on the reports that we have heard, we believe there is widespread agreement that implementing the Board’s priority recommendations would substantially improve the disability determination process, making it fairer, faster, and more accurate. These objectives are clearly in the interest of individuals who apply for SSI benefits as well as the public at large.

As we noted in our report, carrying out the Board’s priorities is a difficult task that will require bold decisions carried out with resolve and dispatch. The agency has begun to put in place some of the resources that will be needed to update medical listings and to develop an ongoing disability training program, but progress in these and other priority areas has been slow. For example, there has been little tangible progress in developing a quality assurance system that will apply to all parts of the claims process. And we have been told that development of a computer system that can be used to support all elements of the process, including the Office of Hearings and Appeals, will take several years.

Again, we urge SSA to make these improvements in the disability process a priority of the agency and commit the resources that are needed to move forward quickly on these vital endeavors.

Helping individuals find and retain employment

Both the Administration and members of Congress have expressed support for legislation that would give disability applicants and beneficiaries greater access to rehabilitation and employment services and provide incentives to ease the transition between beneficiary status and employment.

Currently, despite the statutory work incentives of present law and despite the widespread acceptance of the principle that rehabilitation is an important objective, a relatively small proportion of beneficiaries are actually returning to work. In the SSI program, about nine percent of the 3.6 million disabled beneficiaries between ages 18 and 64 have work activity. Earnings levels are modest. Nearly three-fourths of those working earn below \$500 a month, and about thirty percent earn \$65 or less. In 1998, out of the 3.6 million SSI disabled beneficiaries of working age, referrals to State Vocational Rehabilitation agencies led to only 6,775 successful rehabilitations resulting in work sufficient to qualify State agencies for reimbursement of the services provided.

There will be high expectations among both SSI and DI claimants and beneficiaries that the new legislation will result in a significant improvement in their ability to work. The Social Security Administration will face a significant challenge in meeting these expectations. The proposals that are being considered anticipate that much of the management and the actual provision of rehabilitation and employment services will be performed by sources outside the agency. But even if this is the case, the agency will have to perform certain critical functions if these new services are to succeed. The Administration and the Congress need to ensure that the agency will have the resources it needs to do the job. Being responsible for these services is a new role for SSA, and how well the agency performs this role will be critical to the outcome.

At the front-line level, Social Security employees who work in field offices and in teleservice centers will have to be able to explain the rules and the value of the services that are offered and provide information to help individuals evaluate service providers. To do this will require trained staff and additional staff time. Although SSA will likely contract with outside organizations to assist with these functions, the agency will retain responsibility for how well these information and referral responsibilities are performed.

The Board is aware that the agency is currently studying how it should carry out these responsibilities. One option that reportedly is being considered is to train a small corps of specialists in each field office. This may be the most efficient use of limited staff capacity and may be effective, particularly in the early months as the new services are being developed and put in place. But if the long-term goal is to involve a significant portion of applicants and recipients and to incorporate these services as an integral part of the Disability Insurance and SSI programs, it is difficult to see how the agency can ultimately avoid involving a large portion of its field staff in the effort. In addition, as more individuals who are receiving SSI benefits go to work, staff in field offices inevitably

will have to perform more postentitlement work to adjust benefit amounts to take account of variations in earnings.

As we have noted, field office staff are already hard-pressed to carry out their present responsibilities. Expanding these responsibilities would seem inevitably to require additional staff, unless there is a decline or leveling off of disability applications or a significant increase in productivity. However, over the coming decades the Office of the Chief Actuary forecasts an increasing, not declining, number of OASDI and SSI applications. Improvements in automation and new methods of service delivery should provide some help in the long term. However, individuals who work in the field are doubtful that these innovations will have a significant impact on the face-to-face work that is required to handle the Disability Insurance and SSI cases that dominate their workloads both now and in the foreseeable future.

SSA will also have the responsibility of developing a regulatory structure for the new program, establishing performance standards, and evaluating the impact and effectiveness of the services that are provided. In order to carry out these responsibilities, the agency will have to develop a corps of well-trained and knowledgeable employees.

The importance of research and program evaluation

One of the goals of SSA's Strategic Plan is to conduct effective policy development, research, and program evaluation, and, as the Board has recommended, the agency has begun to strengthen its capacity to perform these important functions. Several new efforts by the agency should prove useful to policy makers in evaluating the SSI program and assessing proposals for change.

In April 1997, the Board advised the agency that it should undertake a study of the impact of the 1996 legislation that revised the rules for determining SSI eligibility for disabled children. We recommended that the agency conduct case studies of a sample of the children affected so that policy makers would have objective information to evaluate the changes and to determine whether future policy changes should be made, and if so, what those changes should be. We expect to follow SSA's study closely, and we look forward to the analysis that will be forthcoming.

We applaud the agency's plans to evaluate the work it will be doing to help individuals find and retain employment. If carefully conceived and conducted, this evaluation can be a vital tool in promoting program effectiveness.

SSA has recently awarded grants to fund a new Retirement Research Consortium that will plan and conduct a research program to develop information that can be used in assessing retirement policy. The agency has also announced plans to establish a Disability Research Institute to help address the need for research in the disability area. As we noted in our January 1998 report on "Strengthening Social Security Research: The Responsibilities of the Social Security Administration," developing research centers such as these has the advantage of enabling the agency to call upon outside experts to conduct

research that the agency itself does not have the resources to conduct. But as we cautioned, the agency will have to ensure that the research that is carried out on its behalf is objective, balanced, and directed to the needs of the agency rather than those of the individual researcher or the center that is performing the research. We urge SSA to make certain that the important research needs of the SSI program, along with those of the OASDI program, are addressed in these major research undertakings.

In addition, we urge the agency to monitor closely changes in the disability rolls (both SSI and DI) so as to be able to explain to policy makers why they are occurring and whether they provide the basis for new and alternative policies to address the needs of individuals with differing types of disabilities.

The SSI annual report

This third “Annual Report of the Supplemental Security Income Program” by the Social Security Administration provides a comprehensive review of program data. However, we believe it would be helpful if future reports would also provide the type of analysis of SSI program and administrative issues that SSA is uniquely capable of undertaking.

In October 1998, SSA issued a report on the management of the SSI program that described administrative initiatives that the agency has established to improve its stewardship of the SSI program. More recently, in March of this year, a report was issued on the management of the disability programs. Although these reports provide useful information on activities that the agency is undertaking that affect the SSI program and its beneficiaries, we believe that policy makers would find it helpful if the agency would use the SSI annual report as a forum in which it formulates and communicates its overall views of the program.

The SSI annual report should be more than a statistical report. In the future, the Social Security Administration should consider using it as a way of bringing to the attention of policy makers both the policy issues that it believes need to be resolved, and the difficulties the agency is encountering in administering the program. This is useful information that can help the Congress, as well as others within the Administration, to become better informed about the challenges SSA faces with respect to the SSI program, and the need to address them.

Stanford G. Ross
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